Semi-Annual Transmission Report to the Iowa Utilities Board

Interstate Power and Light Company
June 30, 2022

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Executive Summary

Beginning in 2008, after the sale of Interstate Power and Light Company (IPL) transmission facilities to ITC Midwest, LLC (ITC-M), and expanding in 2011 with direction from the Iowa Utilities Board (Board or IUB), an exchange of information and ideas related to transmission policy, planning and operations between IPL, ITC-M, and interested stakeholders began and continues to date. This, the twenty-third semi-annual report, reflects the strong working relationship that continues between IPL, ITC-M, regulators, customers, and others, with a shared focus on transparency, benefits, and cost of transmission investment for IPL customers.

IPL has implemented a deliberate, disciplined transmission engagement approach which supports cost-effective transmission development that provides long-term value. As a result of transmission system planning and investment to date, IPL customers have and are continuing to realize a number of significant benefits. First, the transmission system is operating reliably with reduced outages resulting in cost savings for IPL customers. Second, ITC-M's investments in the transmission system have resulted in a more resilient and hardened system that reduces risk to customers from the impacts of man-made and natural disturbances. Finally, ITC-M's investments are enabling IPL to reconfigure and reconstruct significant portions of its distribution system, which is also integral to improving reliability for many of IPL's customers.

This Semi-Annual Transmission Report (Report) focuses on new and continued issues, actions, and results since the last Report filed with the Board on December 22, 2021 (December 2021 Report). Notable activity and results include:

- Federal Energy Regulatory Commission (FERC) Transmission Policy Reform Proceedings: In March 2019, FERC issued a Notice of Inquiry (NOI) that solicited feedback on numerous questions related to its Transmission Incentives Policy. As an outgrowth of the NOI, the Commission issued a Notice of Proposed Rulemaking (NOPR) in March 2020. The NOPR proposed a number of changes to FERC's Transmission Incentives Policy including 1) shifting to a benefits approach to awarding transmission incentives; 2) creating a 250-bps cap for transmission incentives; 3) eliminating the incentive adder associated with transmission-only companies (Transco Adder); and, 4) increasing the incentive adder associated with participation in Regional Transmission Organizations/Independent System Operators (RTO/ISO Participation Adder) from 50-bps to 100-bps. In April 2021, the Commission – under new leadership – issued a Supplemental NOPR that seeks to amend the initial RTO/ISO Participation Adder proposal. The new proposal would 1) maintain the 50-bp adder for joining an RTO/ISO, and 2) limit transmission entities to receive the adder for only 3 years from the date of turning over transmission system operational control to the RTO/ISO. In July 2021, the Commission continued its transmission policy reform push and issued an Advanced Notice of Proposed Rulemaking (ANOPR) addressing transmission planning, cost allocation, and generator interconnection. In April 2022, the Commission issued its first NOPR as an outgrowth of the July 2021 ANOPR. The April 2022 NOPR proposes to amend the Commission's regional transmission planning and cost allocation policies. In

June, the Commission issued a NOPR which proposes interconnection reforms to address queue backlogs. Alliant Energy continues to participate in these proceedings in the interest of protecting customers from unnecessary and/or high costs.

- Midcontinent Independent System Operator (MISO) Return on Equity (ROE) Complaints: FERC issued an Opinion No. 569 on November 21, 2019, establishing a new methodology by which it determines if an established transmission ROE is just and reasonable, and, if not, determines a new just and reasonable ROE. The resulting analysis found that the MISO Transmission Owner (TO) established ROE of 12.38 percent was not just and reasonable; instead, the Commission found that 9.88 percent was a just and reasonable rate. However, on May 21, 2020, FERC issued Opinion No. 569-A, an Order on Rehearing that amends the methodology by which the Commission determines a new just and reasonable ROE. Opinion No.569-A established a new just and reasonable base ROE for MISO TOs of 10.02 percent. Accordingly, MISO and the MISO TOs will need to recalculate the refunds associated with the period November 12, 2013, through February 11, 2015, and September 28, 2016, onwards. Initial refunds began in April 2020, but not completed until the first quarter of 2022 due to other Commission Orders, including Opinion No. 569-B and decisions related to MISO requests. Oral arguments before the DC Circuit Court took place on November 18, 2021. We now await a decision from the Court.

- MISO Long Range Transmission Plan: MISO is performing a Long Range Transmission Planning (LRTP) process described as seeking to ensure a reliable and efficient regional and interregional transmission system that enables the changing generation portfolio across the near and long term and is part of MISO's comprehensive Reliability Imperative initiative. The LRTP will encompass more than one MISO Transmission Expansion Plan (MTEP) cycle and is multi-faceted with various aspects of reliability and economics considered. LRTP is not bound to existing MISO processes such as the generation interconnection or congestion planning processes but rather is anticipated to look across transmission planning processes. MISO currently expects to identify $30-$100 billion of transmission investment from this multi-year process. MISO has identified a first tranche of LRTP projects with an estimated cost of $10.3 billion. These projects will be submitted for approval by the MISO Board in July and included as part of an addendum to MTEP21. IPL has and will continue to be actively engaged in this planning process.

- Transmission Cost Allocation: As part of the LRTP process, MISO has been reviewing with stakeholders since the first quarter of 2021 the transmission cost allocation to be used with LRTP projects. Related, the Organization of MISO States (OMS) has established a Cost Allocation Principles Committee (CAPCom) which is discussing transmission cost allocation principles and questions. In February, MISO filed a proposal to FERC to essentially use the Multi-Value Project (MVP) approach to allocate the cost of LRTP tranche 1 and tranche 2 projects. The proposal also creates two separate cost allocation regions, a North/Central region, and a South region. MISO plans to review in the future the potential for LRTP costs to be shared across the entire MISO footprint. Alliant Energy has been very active in this effort and has a focus on ensuring that network transmission

customers do not pay for transmission development which is benefiting others. Alliant Energy filed comments to FERC providing general support for MISO's proposal but stressing that future enhancements to cost allocation may be required to provide appropriate protections to transmission customers.

Grandfather Agreement ("GFA"): IPL is a party to a 1956 Interconnection Agreement with Corn Belt Electric Power Cooperative (Corn Belt) which provides for joint planning of transmission facilities in portions of Iowa where both Corn Belt and ITC-M have transmission facilities. This arrangement has provided an efficient and cost-effective basis for expansion of the transmission grid in the affected portions of rural Iowa without duplication of facilities. As part of Corn Belt's integration into the Southwest Power Pool (SPP), the GFA rate making treatment was challenged because SPP does not impose network transmission charges (Schedule 9) on GFA load. IPL worked jointly with Corn Belt and MidAmerican (who also has GFAs with Corn Belt) to maintain the GFAs because termination would have increased transmission costs for IPL. A settlement between Corn Belt, IPL, MidAmerican, and Missouri River Energy Services (MRES) was reached in January 2021. As a result of the settlement, a one-time payment of $1.5 million was made to MRES and, in exchange, MRES waived its rights to challenge Corn Belt's rate making treatment of the GFAs until October 1, 2030. Also, under the settlement, by October 1, 2030, SPP will submit on behalf of Corn Belt a general rate case filing. The settlement was submitted to FERC in January 2021 and approved in February 2021. The settlement preserves annual transmission cost savings that IPL customers realize from the Corn Belt GFA. While a payment was made by Corn Belt, MidAmerican, and IPL as part of the settlement, IPL benefits from preserving the GFAs exceed the cost incurred.

IPL continues to advocate on behalf of its customers with ITC-M, MISO, and the FERC, and engage in and influence regulatory policy at the local, regional, and federal levels through dialogue and participation in regulatory proceedings. IPL also maintains active engagement in MISO committees, task forces and working groups that oversee and implement the MISO transmission planning process, transmission cost allocation policy, and generation interconnection rules and procedures.

Introduction

IPL submits this Report of its transmission-related activities, pursuant to the requirements of the Board' s February 2, 2018, Final Decision and Order in Docket No. RPU-2017-0001, which allowed IPL to continue an automatic recovery mechanism for transmission costs (Regional Transmission System (RTS) Rider).[1] This Report provides details of IPL's activities in and results from managing its processes and relationship with ITC-M and influencing the transmission service levels and cost impacts to IPL customers. This report focuses on the following areas, with particular emphasis on activities and results since the December 2021 Report:

[1] On May 4, 2018, Iowa's Governor Kim Reynolds signed SF 2311, which allows utilities to automatically adjust rates and charges to recover costs related to transmission. The bill requires the Board to adopt rules regarding the reporting of transmission expenses and transmission-related activity.

1. ITC-M Relationship Management;
2. Review, Analysis of and Response to ITC-M Dockets at the Board;
3. FERC Transmission Activity and IPL Engagement;
4. MISO Activity and IPL Engagement;
5. IPL and ITC-M's Joint Project Planning;
6. IPL Analysis of ITC-M and MISO Rates;
7. Transmission Outage Performance and Operations Coordination;
8. Stakeholder Informational Meeting; and
9. Timetable of Events Influencing Transmission Rates & Service.

Within this Report, as was the focus of previous reports, IPL is specifically responding to Board expectations outlined in the February 2, 2018 Order:

> IPL must continue to work with stakeholders to identify FERC and MISO-related issues that could result in lower costs and other benefits to IPL and its customers. IPL should actively seek opportunities to communicate with its stakeholders about its advocacy efforts. To that end, the Board will require IPL to continue filing…semi-annual transmission reports describing IPL's efforts regarding FERC, ITC, and MISO-related issues…

In this Report, IPL continues to emphasize results it has achieved on behalf of its customers. This Report addresses the most significant new and continued issues, actions and results affecting transmission service and cost since the December 2021 Report. The Report does not necessarily address *all* activity or previously reported items. However, some background information from prior reports is selectively retained herein to provide continuity and context. Significant results since the December 2021 report are generally reported under "June 2022 Updated Results and Activity" within each section.

IPL is continuing to include in this Report analysis on changes to ITC-M rates, their drivers and reasonableness in the context of value for IPL's customers. IPL has implemented a deliberate, disciplined transmission engagement approach which supports cost-effective transmission development that provides long-term value. IPL's approach includes:

- Advocating for appropriate transmission costs to IPL customers that align with benefits provided;
- Engaging and informing stakeholders regarding transmission engagement approach and implementation; and
- Maintaining effective management oversight of and engagement in transmission activities, including regional and federal regulatory and policy venues to address key transmission issues.

IPL advocates for customer interests with ITC-M, MISO, and FERC and actively engages with large customers, interveners, the Iowa Office of Consumer Advocate (OCA) and the Board in stakeholder meetings and other forums.

1. ITC-M Relationship Management

IPL staff interfaces with ITC-M to manage the overall relationship with ITC-M and to coordinate activities and work with ITC-M. Interactions occur at all levels within IPL and between IPL and ITC-M. These interactions support activities such as transmission outage coordination and planning, transmission and distribution system construction and maintenance, planning for future work and projects, outage investigation, generation interconnection and retirement planning, and coordination and communication with IPL customers. IPL staff interfaces with their functional counterparts at ITC-M to manage issues of common interest to serve customers better. IPL executives also have periodic contact with ITC-M executives to discuss customer service, financial, planning, operational, regulatory, and customer cost issues.

IPL and ITC-M use committees and work teams comprised of IPL and ITC-M representatives to work together on activities and issues. These committees and work teams augment the routine, on-going interactions between IPL and ITC-M operations, planning, engineering, projects, regulatory and stakeholder relations staff. Planning and project committees meet on a regular basis to coordinate transmission and distribution planning and projects respectively. IPL and ITC-M regulatory and stakeholder relations staff also meet approximately once per quarter to discuss state and federal regulatory and stakeholder relations issues of mutual interest.

IPL staff also participates on internal committees and work teams that focus on IPL-related transmission issues. IPL uses a team of internal stakeholders representing key functional areas including energy markets, transmission and distribution planning, engineering and operations, state and federal regulatory affairs and policy, legal, and financial planning and analysis to provide oversight and direction to IPL's overall transmission strategy and relationship management with ITC-M. This includes monitoring developments with, and directing responses to ITC-M, FERC, MISO and the Board regarding events, issues, processes, and regulatory policies that impact ITC-M rates and ultimately the cost to IPL customers. This team of stakeholders also supports and coordinates IPL's participation in MISO, FERC, National Association of Regulatory Utility Commissioners (NARUC), Edison Electric Institute (EEI) and state regulatory agency-hosted venues where transmission issues are discussed and debated.

IPL and ITC-M continue to coordinate well on operations and planning work and activities, and are working together to insure that IPL customers receive reliable and safe transmission service.

Earlier this year, a joint task force was formed between ITC-M and Alliant Energy to discuss grid strategy and help ensure enhanced communication, coordination and cooperation for the benefit of electric consumers. Teams of subject matter experts representing both companies have been meeting to discuss a variety of topics, including:

- Impacts of electrification of the economy
- Rates management and cost containment strategies
- Economic development/new load growth/growth of existing customer loads
- Future focus areas of system planning and development
- Generation and resource planning
- MISO regional planning – Long Range Transmission Plan (LRTP)

- Improved coordination of projects
- Emerging technology – role and potential impact
- Joint fiber and communications planning

This effort is helping to create even better collaboration and efficiencies with ITC-M.

2. IUB Transmission Related Dockets

IPL maintains active engagement with ITC-M's regulatory activity in order to identify and participate in issues that could potentially affect transmission related benefits and rates to IPL customers. IPL regularly monitors filings made by ITC-M to the Board. IPL may support or object to an ITC-M docket, as warranted by the issues and details related to each docket, for reasons such as those described in the following:

- *Support* generally means the filings are for projects IPL views in the best interests of IPL customers, such as base reliability projects, 34.5 kV conversion projects, certain new facilities necessary to support new customers or customer expansions, North American Electric Reliability Corporation (NERC) compliance, and certain market efficiency projects providing economic benefits to IPL customers.
- *Object to* or *With Comments* generally applies to projects IPL believes are unnecessary for IPL customer reliability or inappropriately allocate costs to IPL customers.

IPL chooses its response on a case-by-case basis based upon the facts of the specific docket and whether other filings in these venues could have an impact on IPL customer transmission costs or service. Generally, IPL is looking at the following criteria for projects included in the docket when determining how to respond:

1. Support and safeguarding of local, regional and interconnection-wide power system reliability, generation operations and safety;
2. Benefits that are commensurate with costs;
3. Costs that align with beneficiaries;
4. Ability to reasonably support changing state and federal energy policy objectives and a changing generation resource mix;
5. Planned and initiated at the local and regional level based upon the needs of customers who bear the burdens and receive the benefits; and
6. Result from consideration of all viable solutions to address issues giving rise to project.

Through its Transmission Planning, Delivery System Planning, and other resource areas, IPL performs a regular review of all new filings by ITC-M. IPL reviews all projects, starting at the planning level with ITC-M and continues throughout the various MISO and regulatory processes. IPL takes advantage of multiple opportunities to provide input and feedback to influence the reliability, efficiency, or cost impact of these projects. Ultimately, IPL has the ability to intervene in the appropriate state regulatory process should it not be successful with influencing a project in the desired direction.

Table 1 – ITC-M and Other Transmission Owner Filings with IUB, Acted on by IPL
December 23, 2021 – June 10, 2022

Date	Docket No.	Short Description	IPL Action	Reason
December 21, 2021 and April 22, 2022	E-22441	Northeast Missouri Electric Power Cooperative – Proposed 69 kV Line	Oppose	Concerns regarding the need for the line and cost impact to IPL customers

IUB Transmission Docket

The Board issued an order Initiating Investigation, Requesting Comments, and Setting Date for Workshop on July 2, 2021 in docket INU-2021-0001. The Order indicates among other things that the Board is gathering information related to whether proposed transmission lines for which a franchise is sought are consistent with the public interest and are "part of an overall plan of transmitting electricity." On July 30, 2021 IPL filed a joint response in the docket which in part recommended that the board look to use information gathered through the investigation to participate in MISO and SPP transmission planning processes, where appropriate, to ensure reliable, safe, and cost-effective transmission development. IPL is continuing to monitor activity in the docket.

Iowa Right of First Refusal (ROFR)

On June 30, 2020, the Iowa legislature adopted Senate File 2403, which created Iowa Code § 478.16 with an effective date of July 1, 2020. Iowa Code § 478.16(2) provides that an incumbent electric transmission owner has the right to construct, own, and maintain an electric transmission line that has been approved for construction in a federally registered planning authority transmission plan and which connects to an electric transmission facility owned by the incumbent electric transmission owner. On June 24, 2021, the Board opened Docket No. RMU-2021-1114 and requested stakeholder comments on proposed rules to implement Iowa Code § 478.16. IPL filed comments in response which advocated for certain information to be provided by an incumbent transmission provider in its notification to the Board to construct a line and that the transmission provider demonstrate that its decision to construct, own, and maintain the electric transmission line is consistent with cost-effective transmission development and will not result in unreasonable costs that are ultimately borne by customers. A final order by the Board in this proceeding is pending.

3. FERC Transmission Activity, IPL Engagement

IPL monitors and participates in FERC proceedings that have the potential to impact our transmission costs or impair the transparency of the costs we incur. In its advocacy efforts at FERC, IPL supports transmission investment that provides benefits to customers through effective and purposeful planning and seeks to ensure the proper alignment of costs with benefits.

A. MISO Customer Complaints against the MISO TOs' ROE (Docket Nos. EL14-12-000 *et al.* and EL15-45-000 *et al.*)

Background:

On November 12, 2013, a group of MISO industrial customer organizations filed a complaint against the MISO TOs (including ITC-M), seeking, among other things, a reduction of the Base

ROE used by the MISO TOs (including ITC-M) in calculation of their transmission rates from 12.38 percent to 9.15 percent. Then on February 12, 2015, a group of cooperative and municipal utilities in MISO filed a second complaint at FERC seeking a reduction to the MISO TOs' (including ITC-M) Base ROE from 12.38 percent to 8.67 percent. The Commission set both proceedings for hearing and settlement proceedings. On September 28, 2016, the Commission adopted the findings in the December 2015 Initial Decision (ID) in Opinion No. 551. The Commission agreed that anomalous market conditions existed during the study period, necessitating a Base ROE to be set at the midpoint of the upper half of the Zone of Reasonableness – in this case, 10.32 percent.

After a lengthy administrative process, on November 21, 2019, FERC issued Opinion No. 569, establishing a new methodology for determining if an existing base ROE is just and reasonable, and, if not, a new just and reasonable base ROE. The Opinion found that the previously-established base ROE of 12.38 percent was unjust and unreasonable, and that 9.88 percent was a just and reasonable ROE for the MISO TOs. FERC also noted that the upper bound for the MISO TOs' total ROE was 12.24 percent. In its Order, FERC required MISO TOs to provide refunds to customers by December 21, 2019, for the periods November 12, 2013 through February 11, 2015 (the previously established refund period for the First ROE Complaint), and September 28, 2016, through the present (the date Opinion No. 551 issued, allowing the MISO TOs to collect a base ROE of 10.32 percent) only. A number of parties, including Alliant Energy, on behalf of IPL, requested rehearing of Opinion No. 569. The request, filed on December 20, 2019, sought rehearing of the Commission's decision to not issue refunds for the Second Complaint period (February 12, 2015, through May 12, 2016). The request argued that the Commission's decision was arbitrary and capricious by denying customers significant funds and protection from unjust and unreasonable rates.

On May 21, 2020, the Commission issued Opinion No. 569-A, an Order the granted in part and denied in part, various requests for rehearing. Of importance, Opinion No. 569-A grants, in part, rehearing to the extent that it amends the Commission's Opinion No. 569 methodology for determining just and reasonable base ROEs for MISO Transmission Owners. The new methodology increases the effective base ROE from 9.88 percent established in Opinion No. 569 to 10.02 percent for MISO TOs. The Commission did, however, deny rehearing on many issues, including that related to Alliant Energy's request for reconsideration of its determination that refunds should be issued for the Second Complaint period. While the majority of Commissioners reaffirmed their position that refunds for the Second Complaint period would be unjust and unreasonable, Commissioner Glick reiterated his support for customers to receive refunds.

On June 21, 2020, a number of entities filed requests for rehearing of Opinion No. 569-A, including the parties that initiated the original complaints. The requests, among other things, seek further justification for the decision to reject refunds for the Second Complaint period. Additionally, the MISO TOs filed a Petition for Review at the DC Circuit Court of Opinion Nos. 569 and 569-A on June 1, 2020. In January 2020, customer groups filed a Petition with the DC Circuit to pursue, among other things, a favorable ruling related to the refunds.

On November 19, 2020, the Commission issued Opinion No. 569-B, which generally accepted the findings of Opinion No. 569-A, including the 10.02 percent Base ROE and the decision to not issue refunds for the Second Complaint Refund Period. The Commission also affirmed its decision to require MISO and the MISO TOs to provide the necessary refunds for the First Complaint Refund Period by September 23, 2021.

June 2022 Updated Results and Activity:

On August 2, 2021, the Commission granted MISO's June 30, 2021, request for an extension of time to provide refunds. MISO completed the refund process in the first quarter of 2022 and filed a refund report to FERC on April 1, 2022. Additionally, Oral Arguments before the DC Circuit Court took place on November 18, 2021. Any next steps are dependent on the Court's decision.

Conclusions:

Going forward, the base ROE for MISO TOs will be 10.02 percent. ITCM's total ROE is currently 10.77 percent, including the transmission incentives. This could change based on a Commission Final Rule in response to the Transmission Incentives NOPR, Supplemental NOPR, and Transmission ANOPR (discussed below). Alliant Energy, on behalf of IPL and its customers, continues to advocate for policies that support just and reasonable rates.

B. FERC Transmission Policy Reform Proceedings

B.1. Transmission Incentives Supplemental Notice of Proposed Rulemaking, Notice of Proposed Rulemaking, and Notice of Inquiry (Docket No. RM20-10-000 and Docket No. PL19-3-000)

Background:

FERC's transmission incentive policy currently allows for, among other things, up to a 100 basis point ROE adder for standalone transmission companies (Transco Incentive Adder) and 50 basis points for RTO participation (RTO Participation Adder). Recognizing the impact these adders have on IPL customers, IPL has consistently advocated for reducing or eliminating incentive adders that provide little to no benefit to customers. This advocacy has included filing a complaint at FERC, as well as voicing our specific concerns directly to Commissioners in an attempt to reexamine the Commission's transmission incentive policy.

On March 21, 2019, the Commission issued a Transmission Incentives NOI to act as an update to the Commission's Order Nos. 679 and 679-A, and its 2012 Policy Statement - all of which sought to implement the requirements of Section 219 of the Federal Power Act, included as part of the Energy Policy Act of 2005. The NOI also seeks comment as to how Order No. 1000 interacts with transmission incentives to provide benefit to both transmission developers and customers.

Alliant Energy, on behalf of IPL, submitted initial comments to FERC on July 26, 2019, along with DTE Electric Company (DTE). The Initial Comments responded to a number of questions in the NOI, including feedback related to transmission incentives adders (e.g., the Transco Incentive

Adder), other transmission incentives (e.g., recovery of abandoned plant), and the interplay between transmission incentives and Order No. 1000. The comments included, among other things, the following positions: 1) FERC should examine incentive requests in a holistic manner by considering risks, challenges, benefits, and need. 2) Incentives should bring meaningful benefits to customers and the grid. 3) Project-specific evaluation of incentives is preferred. 4) A characteristics-based incentive approach (e.g., incentives for resilience) should be avoided. 5) The Transco Incentive Adder should be eliminated. Alliant Energy and DTE also filed Reply Comments in August 2019, to respond to and reinforce its Initial Comments detailing the proper use of transmission incentives so that customers are not over-burdened with unnecessary transmission costs.

In March 2020, the Commission issued a Notice of Proposed Rulemaking based on the feedback received in the NOI proceeding. Alliant Energy, on behalf of IPL, submitted comments in response to the NOPR in July 2020. Additionally, on June 18, 2020, the Commission issued a Cybersecurity Incentives White Paper (White Paper), that sought comments on its proposals from interested parties. The White Paper proposed various incentives that would allow TOs to receive up to 200-basis points added to the TOs' base ROE (no cap would be applied). Alliant Energy, on behalf of IPL, and joined by DTE, submitted comments on August 17, 2020, opposing the Commission's proposals to provide various financial incentives for actions that simply amount to good utility practice.

In April 2021, under new leadership, the Commission issued a Supplemental NOPR in its general Transmission Incentives proceeding. The Supplemental NOPR seeks to amend the previous proposal to increase the RTO Adder to 100-bps: instead, the Commission proposes to maintain the currently effective 50-bps RTO Adder but limit its receipt to just three years. The Supplemental NOPR proposes to allow only transmission entities that have yet to *join* RTOs/ISOs to receive the incentive adder for a period of three years. Transmission entities that have been, and continue to be, RTO/ISO members will not be entitled to the incentive. The Commission's proposal reflects Alliant Energy's previously stated positions that incentives should be deployed only for projects that are high risk/high reward. The Commission's proposal recognizes the RTO Adder as an incentive that actually *reduces* risk for members over time, and therefore, should have a sunset period. Alliant Energy, on behalf of IPL, submitted timely comments jointly with Consumers Energy and DTE Electric, supporting the Commission's Supplemental NOPR.

June 2022 Updated Results and Activity:

These proceedings remain open; however, the Commission held a Workshop on September 10 to discuss certain performance-based ratemaking approaches in the context of transmission incentives for transmission development. Alliant Energy's Mitch Myhre participated on a panel that discussed the role of RTOs/ISOs in incenting transmission development. Mr. Myhre continued to advocate for broader oversight, fewer financial incentives, and centering customer costs when planning transmission.

Conclusions:
Alliant Energy, as the parent company of IPL, will continue to advocate for policies that ensure costs are commensurate with consumer benefits. As a general policy matter, IPL seeks to persuade FERC that overall customer costs should be a significant consideration, but not the only input, when it evaluates how and when to grant transmission incentives.

B.2. Transmission Planning, Cost Allocation, and Generator Interconnection Advanced Notice of Proposed Rulemaking (Docket No. RM21-17-000)

Background:
In July 2021, the Commission published an Advanced Notice of Proposed Rulemaking (ANOPR) that proposed reforms in three transmission-related areas: 1) reforms for longer-term regional transmission planning and cost-allocation processes that take into account more holistic planning, including planning for anticipated future generation; 2) rethinking cost responsibility for regional transmission facilities and interconnection-related network upgrades; and, 3) enhanced transmission oversight regarding how new transmission facilities are identified and who pays.

The ANOPR asks if there should be changes to various existing processes, and, if so, what those changes might be. Specifically, the ANOPR seeks feedback on whether longer-term regional planning and associated cost allocation processes that take into account more holistic planning; whether planning should include anticipated future generation, cost responsibility for transmission facilities, and interconnection-related upgrades; and, whether there is a need for enhanced transmission oversight over how new transmission facilities are identified and the associated cost responsibility. The Commission seeks to address its underlying concern of whether current oversight of transmission planning adequately protects customers. Any proposed potential reforms must still ensure just and reasonable rates.

Alliant Energy, along with DTE Electric and Consumers Energy, filed timely comments in response to the ANOPR. The Comments reflected similar themes of other transmission policy-related proceedings, including the need to ensure proper oversight via stakeholder participation in transmission planning processes; appropriate cost allocation mechanisms should properly determine benefits and beneficiaries; and, cost to customers should be a consideration when approving transmission projects. Alliant Energy, along with DTE Electric and Consumers Energy, also submitted Reply Comments on November 30 in response to certain assertions by other participating parties.

June 2022 Updated Results and Activity:
At its April 2022 Open Meeting, the Commission issued a NOPR proposing a number of reforms to its regional transmission planning and cost allocation policies, as well as amendments to the Order No. 1000 Right of First Refusal policy. Alliant Energy, on behalf of its IPL customers, intends to timely file comments in response to the Commission's proposals in August. Also, in June 2022 the Commission issued a NOPR which proposes interconnection reforms to address queue backlogs. Alliant Energy is also looking at filing a response to this NOPR as well with the continued interest of protecting customers from unnecessary and/or high costs.

Conclusions:
Alliant Energy, on behalf of IPL, will continue to advocate for recognition that the cost of transmission projects are ultimately born by customers and thus should be a consideration in transmission planning processes.

B.3. Cybersecurity Incentives Notice of Proposed Rulemaking (Docket No. RM21-3-000)

Background:
In December 2020, the Commission issued a Cybersecurity Incentives NOPR that largely adopted the proposals in its June 2020 White Paper to provide financial incentives for transmission-owning entities that undertake actions that enhance the security of the bulk power system. The transmission owning entities would be responsible for requesting and justifying receipt of the incentive. Incentives would be for a finite period of time and only on investments made to certain cybersecurity enhancements. In April 2021, Alliant Energy, on behalf of IPL, and DTE submitted comments opposing the proposal, arguing that the proposed incentives would merely add costs to consumers without commensurate benefit.

June 2022 Updated Results and Activity:
Though FERC has yet to act on the Cybersecurity Incentives NOPR, it continues to explore ways to ensure bulk electric system reliability. At its September 2021 Reliability Technical Conference, the Commission devoted an entire panel to cybersecurity and supply chain issues, including current and future threats, what can be done to mitigate those threats, and how to incentivize certain actions (e.g., using only specific vendors) so that grid reliability can be maintained.

Conclusions:
Alliant Energy, on behalf of its IPL customers, will continue to advocate for policies that ensure reliability, but keep customer costs at the forefront. Our advocacy in response to any proposed cybersecurity incentive remains that incentives are not needed for actions that merely reflect good utility practice.

C. Marshalltown Generating Station (MGS) Agreements

Background:
MGS is a combined-cycle, natural gas-fired generating facility located in Marshalltown, Iowa. MGS achieved commercial operation on April 1, 2017.

On April 14, 2017, MISO filed an amended Generator Interconnection Agreement (GIA) for MGS. The interconnection service under this agreement is 630 MW of conditional Energy Resource Interconnection Service (ERIS) to become 635 MW of ERIS and/or Network Resource Interconnection Service (NRIS) upon completion of all network upgrades. The Commission accepted the amended GIA on May 31, 2017 via delegated authority.

June 2022 Updated Results and Activity:

The current Amended and Restated GIA provides interconnection service for a total of 700 MW ERIS and 665 MW NRIS upon completion of all network upgrades and transmission assumptions identified in the Interconnection Studies. 635 MWs of MGS is unconditional and has no restrictions. 65 MWs of MGS is conditional and subject to MISO's Annual ERIS and Interim Deliverability Study process and potential Quarterly Operating Limit processes. These processes have provided 65 MWs to MGS for the summer and fall seasons in 2022.

Conclusions:

MGS will continue to operate at high capacity factors and will continue to do so under current MISO processes. IPL will continue to manage the energy output and capacity accreditation until the completion of the network upgrades required for the remaining 65 MWs to become unconditional ERIS and/or NRIS, as stated in the Amended and Restated GIA with ITC-M and MISO.

D. Corn Belt-IPL Grandfathered Agreement (GFA) (ER15-2028-000 *et al.*)

Background:

IPL is a party to a 1956 Interconnection Agreement with Corn Belt Electric Power Cooperative (Corn Belt) which provides for joint planning of transmission facilities in portions of Iowa where both Corn Belt and ITC-M have transmission facilities. The Interconnection Agreement provides that whenever either Corn Belt or ITC-M needs to build new transmission facilities in the relevant area, each will consult the other to determine the most efficient plan for the design, construction, and operation of those facilities. Designated transmission facilities are used jointly by both parties without charge by the other party. This arrangement has provided an efficient and cost-effective basis for expansion of the transmission grid in the affected portions of rural Iowa without duplication of facilities.

In 2015, Corn Belt joined the Southwest Power Pool (SPP). As a new member, Corn Belt sought to establish an annual transmission revenue requirement (ATRR) and formula rate template to be included in the SPP Tariff to collect charges from transmission service customers in SPP Zone 19, submitted to FERC in Docket No. ER15-2028-000. In September 2015, FERC accepted the proposed rates for filing, to be effective as of October 1, 2015, and set the matter for hearing and settlement judge procedures.

As part of the FERC settlement proceeding, various issues were raised by interested parties, including the treatment of load related to the Corn Belt and IPL GFA because SPP does not impose network transmission charges (Schedule 9) on GFA load. IPL worked jointly with Corn Belt and MidAmerican (who also has GFAs with Corn Belt) to maintain the GFAs because termination would have increased transmission costs for IPL.

June 2022 Updated Results and Activity:

A settlement between Corn Belt, IPL, MidAmerican, and Missouri River Energy Services (MRES) was reached in January 2021. As a result of the settlement, a one-time payment was made to MRES and, in exchange, MRES waived its rights to challenge Corn Belt's rate making treatment of the GFAs until October 1, 2030. Also, under the settlement, by October 1, 2030, SPP will submit on behalf of Corn Belt a general rate case filing. The settlement was submitted to FERC in January 2021 and approved in February 2021. The settlement preserves annual transmission cost savings IPL customers realize from the Corn Belt GFA. While a payment was made by Corn Belt, MidAmerican and IPL as part of the settlement, IPL benefits from preserving the GFAs exceed the cost incurred.

Conclusions:

The Corn Belt-IPL GFA has allowed IPL to provide reliable, cost effective service to customers through joint planning and use of each other's facilities. Acceptance of the settlement allows IPL customers to continue to receive benefits and cost savings into the future.

E. Otter Tail Power Company Complaint against MISO Self-Funding Policy for Network Upgrades (Docket Nos. EL15-36-000 *et al.,* EL15-68-000 *et al.,* and ER16-696-000 *et al.*)

Background:

On January 12, 2015, Otter Tail Power (OTP) filed a complaint against MISO arguing that MISO's Tariff lacked clarity related to if and how an Affected System Operator[2] could self-fund network upgrades required for a generator to interconnect to the MISO system. On June 18, 2015, FERC issued an order granting, in part, OTP's complaint (June 2015 Order). FERC found that Affected System Operators should have the right to self-fund necessary network upgrades, similar to the rights afforded TOs and interconnection customers. In addition, the June 2015 Order instituted a section 206 investigation (initiating Docket No. EL15-68-000) to determine if the MISO Tariff was unjust and unreasonable because the MISO TOs had the *unilateral* right to fund network upgrades.

On September 30, 2015, AECS, on behalf of its affiliates IPL and WPL, filed comments supporting the FERC investigation into the MISO network upgrade funding rules. AECS' comments supported an approach that would determine who will fund necessary network upgrades based on considerations of ultimate costs to customers.

On December 29, 2015, FERC issued an order denying rehearing, granting clarification, and directing a compliance filing in the OTP-related proceedings (December 29 Order). When denying rehearing, FERC affirmed its finding in the June 2015 Order that, under MISO's Interconnection Customer Funding Policy, providing a TO with the unilateral right to elect to initially fund a network upgrade improperly imposes costs on interconnection customers and is unjust and unreasonable.

[2] An Affected System Operator is a Transmission Owner (TO) whose system requires network upgrades to accommodate an interconnection request, but is not directly interconnected to the interconnection customer.

On January 8, 2016, MISO submitted revisions to Article 11.3 of its *pro forma* GIA that removes TOs' ability to unilaterally elect to initially fund network upgrades (Docket Nos. ER16-696-000 and ER16-696-001). On January 27, 2016, AECS, on behalf of its affiliates IPL and WPL, filed a motion to intervene. On December 2, 2016, FERC accepted MISO's final Compliance Filing via Delegated Letter Order.

On October 27, 2016, Ameren and the ITC Companies filed a Petition for Review at the DC Circuit Court of the OTP-related proceedings (EL15-36-000 *et al.*, EL15-68-000 *et al.*, ER14-2464-002, ER16-696-000 *et al.*).

On January 26, 2018, the DC Circuit Court vacated and remanded all of the FERC Orders that rejected the MISO TOs' request to self-fund network upgrades. The DC Circuit Opinion means that FERC's decision to eliminate TOs' unilateral right to self-fund network upgrades is no longer legally effective. The DC Circuit Court Decision requires FERC to supplement the record and provide "reasoned consideration" as to the effect of the orders on the ability of MISO TOs to attract future capital. The Commission has yet to issue an Order on Remand.

On August 31, 2018, the Commission issued an Order on Remand finding that, upon further review of the record, transmission owners and affected system operators should not be allowed the unilateral right to elect to provide initial funding for network upgrades, reversing the Commission's previous findings. The Order required MISO to submit a compliance filing that amends its *pro forma* Generator Interconnection Agreement (GIA), Facilities Construction Agreement (FCA), and Multi-Party Facilities Construction Agreement (MPFCA). Additionally, the Order instructed further briefing procedures to address treatment of GIAs, FCAs, and MPFCAs that were entered into during the time period between June 24, 2015 (the date of Tariff changes became effective as a result of the June 2015 Order), and August 31, 2018 (the date of the Order reversing FERC's initial determination).

In a December 20, 2019, Order the Commission found that GIAs, FCAs, and MPFCAs entered into between June 24, 2015, and August 31, 2018, should be revised to allow transmission owners and affected system operators to unilaterally elect to provide initial funding for network upgrades, if those transmission owners/affected system operators so choose.

On July 8, 2020, MISO filed two revised FCAs between IPL and ITCM that were impacted by the OTP Order. FERC issued Deficiency Letters in both proceedings, seeking further information from MISO regarding its filing. Responses to those Deficiency Letters were filed October 28, 2020.

June 2022 Updated Results and Activity:

On August 11, 2021, the Commission accepted the revised Agreements, subject to condition, effective July 1, 2020. On October 12, 2021, MISO submitted the required compliance filing, that allows ITC Midwest to refund IPL on the last day of the month the Commission approves the

associated Facilities Agreements. A FERC order accepting one of MISO's compliance filings has been issued with action on the other compliance filing still pending.

Conclusions:
ITC-M has elected to self-fund network upgrades for Whispering Willow North and English Farms that were previously funded by IPL. The net effect of this change will be a reduction in Renewable Energy Rider transmission costs and a corresponding increase in Rider RTS transmission costs, resulting in a minimal change in total costs to IPL customers.

The Commission's determination reinstates transmission owners' unilateral right to elect to fund network upgrades, but IPL will continue to voice its position that customer costs need to be an important factor when making necessary improvements to the transmission system. IPL understands the need to upgrade the transmission system and supports investments when transmission needs are balanced with customer costs.

F. Reactive Power Compensation Notice of Inquiry (Docket No.RM22-2-000)

Background:
In 2016, the Commission mandated that non-synchronous generators (e.g., wind facilities) provide reactive power service. In MISO, generators are able to receive compensation related to reactive power service through MISO Schedule 2, utilizing FERC's *AEP* methodology. Wind generation resources in MISO, including generators in the ITCM footprint, have begun to submit and receive Reactive Power Revenue Requirements from FERC per MISO's Schedule 2. IPL has concerns with these requests as MISO's Schedule 2 allows generators to be compensated annually for their *capability* to produce reactive power and does not consider whether any reactive power to help the system is *provided*. In some cases, it is possible the wind generator may provide little reactive support to the system. Further, FERC does not have a methodology for how non-synchronous generators seeking annual reactive power compensation (e.g., MISO Schedule 2) should calculate a revenue requirement. IPL believes independent wind owners are taking advantage of this situation to receive inflated revenue requirements from FERC which MISO then charges customers.

On November 16, 2021, the Commission published a Notice of Inquiry (NOI) that seeks information from interested parties regarding the applicability of the *AEP* Methodology for determining reactive power revenue requirements for different types of resources, and how the Commission should determine reactive power revenue requirements for nonsynchronous generators.

June 2022 Updated Results and Activity:
Alliant Energy, on behalf of its IPL customers, filed timely comments on February 22, 2022. The Comments support a new approach to reactive power compensation that is more performance based. The comments also support a new methodology for nonsynchronous generation resources reactive power compensation, citing the significant differences between synchronous and nonsynchronous generator equipment as one of the main reasons for policy reform.

Conclusions:
IPL continues to advocate for a change in MISO's Schedule 2 methodology and to monitor for additional reactive power compensation requests in the ITCM footprint. IPL's protests of reactive power compensation requests have helped reduce the costs for which customers ultimately are responsible. The FERC NOI has the potential to provide more cost savings to customers as would a change to MISO's Schedule 2 methodology.

G. Coalition Complaint regarding ITC Midwest Capital Structure (Docket No. EL22-xxx-000)

Background:
On May 9, 2022, IPL, in conjunction with the OCA, the Large Energy Group (LEG), the Resale Power Group of Iowa (RPGI), and the Iowa Business Energy Coalition (IBEC) (collectively, the Iowa Coalition for Affordable Transmission or ICAT), filed a complaint with FERC arguing that ITCM's capital structure, consisting of 60 percent equity, is no longer just and reasonable. ICAT requests that the Commission require ITCM to lower the equity component of its capital structure to 53 percent. The Coalition argues that Commission action is required because ITCM fails each part of the Commission's Three-Part Test for using a company's actual capital structure. The Coalition further notes the use of a 60 percent equity layer is having a material impact on transmission costs. More specifically, the complaint states ITC Midwest's rates based on the use of a 60 percent equity ratio, rather than a 53 percent equity ratio, in its capital structure has resulted in ITC Midwest's ratepayers paying nearly $153 million since 2016 in excess of just and reasonable transmission rates derived from an equity ratio of 53 percent. Also, in just the next four years, ITC Midwest's ratepayers will overpay for transmission service by $114 million absent FERC action.

June 2022 Updated Results and Activity:
Over 30 entities have filed to intervene in the proceeding including: 6 state commissions 1 state commission representative (IA, WI, MN, MI, MO, and IL), OMS, MISO, 10 entities representing customer/consumer interests, 2 trade associations, and a number of other entities representing either load serving entities or transmission owners. 13 entities filed supportive comments of the complaint including the Iowa Utilities Board, Citizens Utility Board of Wisconsin, Wisconsin Industrial Energy Group, Southern Minnesota Municipal Power Agency, WPPI, the Coalition of MISO Transmission Customers and 7 other Iowa focused entities (who did not request to intervene in the proceeding). On June 15th ITC Midwest filed a response to the complaint requesting that it be denied. 2 groups (MISO transmission Owners and WIRES) filed comments supporting ITC Midwest's position. Further action in the proceeding is pending. FERC does not have a specific amount of time by which it needs to act on the complaint.

Conclusions:
IPL is committed to advocating for affordable transmission costs. IPL values its relationship with ITC-M and will work collaboratively with ITC-M to continue to provide safe, reliable and affordable service for customers. The FERC Complaint does not change our commitment to collaboration and will not impact operations; rather, the Coalition's action seeks to provide transmission cost reductions to customers.

4. MISO Activity, IPL Engagement

IPL maintains proactive and consistent engagement in the MISO stakeholder process in order to influence and help ensure changes made to the MISO tariff and related processes are beneficial to IPL customers. MISO's transmission planning procedures and cost allocation rules impact the transmission rate component of ITC-M, which may ultimately impact costs for IPL customers.

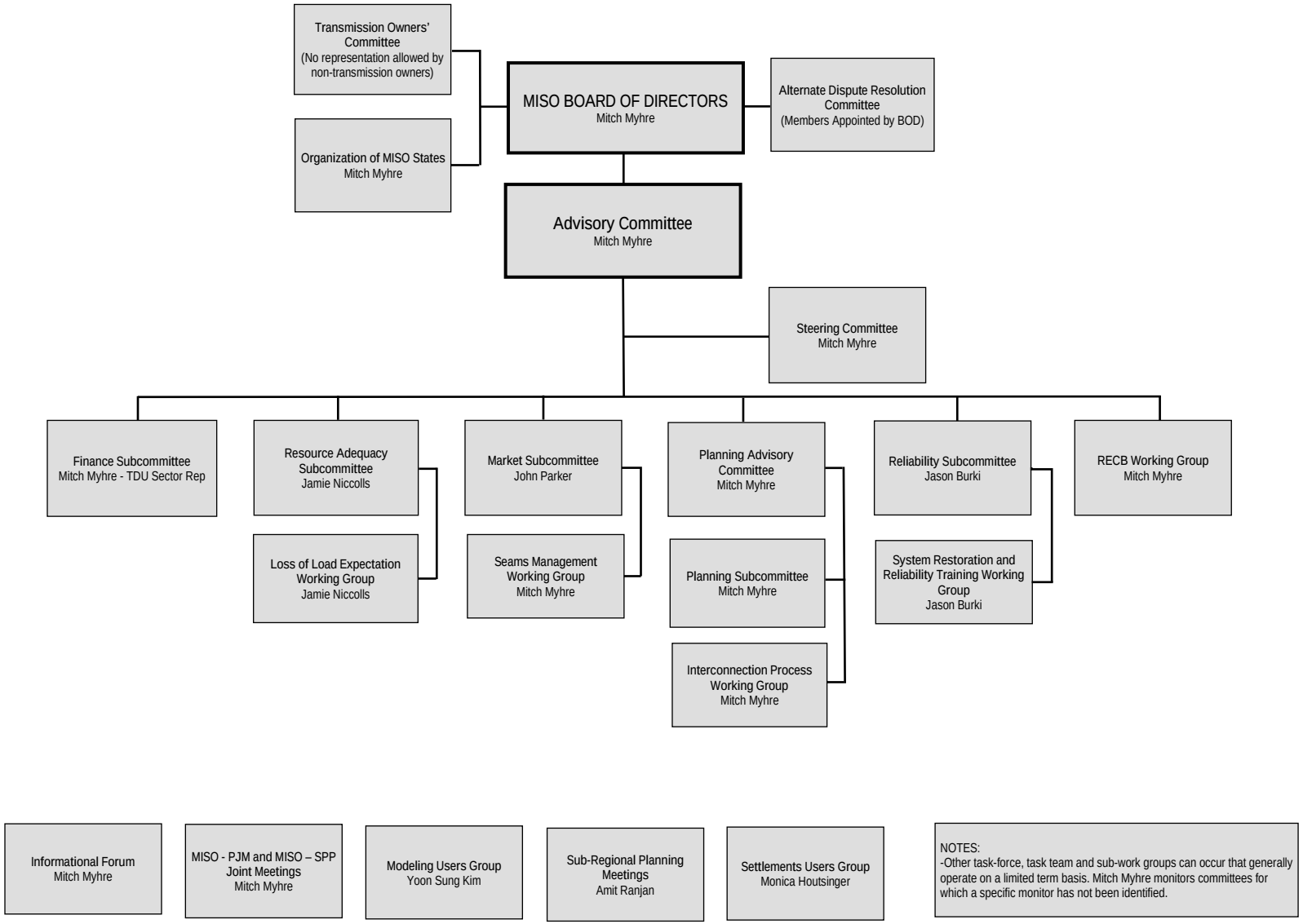
IPL monitors and actively participates in the various committees and meetings at MISO pertaining to transmission matters. Specifically, IPL's engagement with the MISO stakeholder process includes participation in the following transmission-focused groups:

- The Planning Advisory Committee (PAC),
- Interconnection Process Working Group (IPWG),
- Planning Subcommittee (PSC),
- Technical Study Task Force Meetings (TSTF)
- Interregional meetings between MISO and PJM and MISO and SPP, and
- Sub-Regional Planning Meetings (SPM).

IPL has also been an active participant in the Regional Expansion Criteria Benefits Working Group (RECBWG) that is charged with shaping transmission cost allocation policy.

A summary chart of the various MISO committees IPL participates in is provided in Figure 1.

Figure 1 – IPL involvement at MISO



Since the December 2022 Report, IPL notes the following most significant MISO activity, and IPL's engagement:

A. MISO Transmission Expansion Plan (MTEP)

Background:

MISO, along with Transmission Owners and stakeholders, annually develops a MISO Transmission Expansion Plan (MTEP). Through this planning process transmission projects are put forth for various objectives such as meeting local and regional reliability standards or providing benefits to wholesale energy markets. IPL actively participates in the planning done at the regional level. IPL reviews the projects resulting from the MISO planning process and provides feedback to MISO on projects potentially impacting the transmission service and cost to IPL customers, including those of ITC-M.

Current Status:

- IPL has reviewed the MTEP 22 active projects list, which included twenty-seven (27) ITC-M projects for inclusion in MTEP22. The project list consists of:
  - Four (4) Other projects driven by local reliability;
  - Nine (9) Generation interconnection projects;
  - Ten (10) Projects for age and condition;
  - One (1) Baseline Reliability Project; and
  - Three (3) Other projects driven by load growth.

- In October 2019, MISO created three futures to be used with transmission planning starting with MTEP21. The three futures are described by MISO as:

  1) *Future 1*, reflects substantial achievement of state and utility announcements and includes a 40 percent carbon dioxide reduction trajectory. While Future 1 incorporates 100 percent of utility integrated resource plan (IRP) announcements, state and utility goals that are not legislated are applied at 85percent of their respective announcements to hedge the uncertainty of meeting these announced goals and respective timelines. Future 1 assumes that demand and energy growth are driven by existing economic factors, with small increases in EV adoption, resulting in an annual energy growth rate of 0.5 percent.;
  2) *Future2*, incorporating 100 percent of utility IRPs and announced state and utility goals within their respective timelines, while also including a 60 percent carbon dioxide reduction. Future 2 introduces an increase in electrification, driving an approximate 1.1percent annual energy growth rate.; and
  3) *Future 3*, incorporates 100percent of utility IRPs and announced state and utility goals within their respective timelines, while also including an 80percent carbon dioxide reduction. Future 3 requires a minimum penetration of 50percent wind and solar and introduces a larger electrification scenario, driving an approximate 1.7percent annual energy growth rate..

  MISO has used Future 1 with Long Range Transmission Plan tranche 1 projects described in the next section below. In June 2022, MISO announced that it would refresh generation assumption in these futures using feedback from load serving entities and other stakeholders. Alliant Energy supports reviewing futures and related assumptions on a periodic basis and has advocated for MISO to consider increasing the robustness of its planning by increasing the number of futures used and/or performing sensitives to various

variables as part of planning. For example, understanding the potential impacts from a large amount of energy storage resources being connected to the system or the impacts HVDC lines being added to the system.

B. MISO Long Range Transmission Plan

MISO is performing a regional planning process called Long Range Transmission Planning (LRTP) described as seeking to ensure a reliable and efficient regional and interregional transmission system that enables the changing generation portfolio across the near and long term. MISO has further described LRTP as a long-term grid plan, focusing on near-term needs as well as considering longer-term (20-40 year) needs. The LRTP will encompass more than one MTEP cycle and will be multi-faceted with various aspects of reliability and economics considered. There will also be a regional approach accounting for subregional differences and needs under MISO's value-based planning process. LRTP is not bound to existing MISO processes such as the generation interconnection or congestion planning processes but rather is anticipated to look across transmission planning processes. MISO currently expects to identify $30-$100 billion of transmission investment from this multi-year process.

Current Status:

- LRTP in MTEP21 has focused on MISO's MTEP Future I assumption set. MISO has proposed 18 transmission projects with an estimated cost of $10.3 billion as a tranche 1 set of LRTP projects. This set of projects includes several new 345 kV lines in Iowa. MISO has produced a business case supporting the tranche 1 projects which shows the portfolio has a benefit to cost ratio of at least 2.1 for every zone in MISO North/Central, compared to the minimum required benefit to cost ratio of 1.0. Zone 3, which covers Iowa, estimates a benefit to cost ratio range of 3.2 to 4.4 according to MISO's business case. The largest benefit metrics supporting the projects relate to congestion and fuel savings and avoided cost of local resources. Other benefit metrics included in MISO's business case are: avoided transmission investment, resource adequacy savings, avoided risk of load shedding and decarbonization. IPL has reviewed MISO's business case and supporting detail and agrees that the portfolio of projects appear to provide sufficient benefits to move forward. IPL along with other Transmission Dependent Utilities have identified ways MISO's business case can be improved and has advocated for these improvements to be made going forward with future LRTP efforts. The tranche 1 projects will be submitted for MISO board approval in July 2022 and, if approved, will be included as an addendum to MTEP21.

- Alliant Energy generally supports the LRTP process and believes it is critical for MISO to work closely with stakeholders as this planning moves forward. With future planning efforts Alliant Energy is interested in MISO considering the impacts of storage, HVDC and how alternatives can play a role in addressing issues and meeting system needs in the future. Alliant Energy also believes MISO should make available more planning related information (e.g., PROMOD results) and discuss more the cost impact to customers of proposed projects as this planning continues.

C. MISO Review of Transmission Cost Allocation and Criteria

Background:

As a result of MISO's LRTP process beginning, MISO held a stakeholder process to review transmission cost allocation with stakeholders to determine how the costs of any LRTP projects will be allocated. Related, the Organization of MISO States (OMS) has established a Cost Allocation Principles Committee (CAPCom) which is discussing transmission cost allocation principles and questions. The CAPCom has developed a set of cost allocation guiding principles

to support the LRTP process. Stakeholder discussions on LRTP project cost allocation started in the first quarter of 2021.

IPL is open to considering cost allocation changes and has a general preference for costs to be allocated as granular as possible when reasonable. IPL believes that changes to cost allocation must be supported by analysis that validates the appropriateness of the need for change and the proposed solution. A key issue which IPL is watching for as part of cost allocation discussions is inappropriate cost shifting from the generation interconnection process to other transmission customers.

Current Status:

- IPL has been closely following and participating in cost allocation discussions at MISO as well as discussing this review effort and its positions with other stakeholders. In February, MISO filed a proposal to FERC which essentially uses the existing MVP cost allocation and criteria for LRTP projects. One change MISO made is the creation of separate MISO North/Central and South regions over which costs would be allocated. MISO plans to use the MVP cost allocation approach for the first and second tranches of LRTP projects and has indicated an openness to continuing to consider more granular approaches to cost allocate potential tranche 3 and 4 of LRTP which are intended to focus on MISO South and the MISO North/Central and MISO South transfer capability. MISO also intends to review in the future the potential to share LRTP costs broadly throughout the MISO footprint.

- IPL filed comments in response to MISO's LRTP cost allocation filing which provided general support and advocated for: 1) equal treatment between MISO North/Central and MISO South meaning that any LRTP tranche 3 projects in MISO south should be paid for by customers in that area; 2) implementation of guardrails to MISO's LRTP and overall transmission planning process to help protect customers from unnecessary and/or unreasonable high costs and 3) a greater focus on system optimization as an important component to achieving increased renewable energy deployment at an affordable cost. In May, FERC issued an order accepting MISO's proposal and rejecting concerns raised in the proceeding.

- Related to the topic of cost allocation and transmission, IPL submitted a protest to FERC in response to MISO's Schedule 49 cost allocation proposal for a one-year period beginning February 1, 2021. Schedule 49 allocates the costs incurred from flowing energy between MISO North/Central and MISO South over transmission facilities belonging to SPP and other neighboring entities. As part of a prior FERC settlement, the original Schedule 49 cost allocation expired on February 1, 2021. MISO made a filing to FERC in December 2020 which proposed to continue the current cost allocation for a one-year period and to discuss a new going forward allocation with stakeholders during this time. IPL believes the current cost allocation is resulting in unjust and unreasonable cost to Iowa customers and submitted a protest to the proposal. In January, the Commission set the proceeding for hearing and settlement procedures. A settlement was reached where all parties agreed to use whatever new Schedule 49 cost allocation resulted from an ongoing MISO stakeholder process. This settlement was filed to FERC on August 5, 2021 and was accepted by the commission in an order issued on October 21, 2021. On November 15, 2021 MISO filed a new Schedule 49 cost allocation methodology as a result of the stakeholder process. IPL believes the new methodology provides a more reasonable allocation of Schedule 49 costs to Iowa customers and filed generally supportive comments to FERC in response to the filing. FERC issued an order accepting the filing in January 2022.

D. Storage As Transmission Only Asset (SATOA)

Background:
MISO has been working with its stakeholders to integrate energy storage resources into MISO markets and planning. In December 2019 MISO submitted a filing to FERC regarding the use of energy storage projects to address transmission system issues. The proposal will allow a storage facility to be selected as a preferred solution to a Transmission Issue in the MTEP process similar to traditional transmission solutions, such as wires. These solutions are referred to as SATOA and would be classified as transmission assets. The proposal also allows SATOAs to forego the generation interconnection process.

Alliant Energy believes MISO's proposal is discriminatory as it limits SATOA solutions to only transmission owners. For example, non-transmission owners that propose similar energy storage solutions to address transmission system needs would be required to go through the lengthy generation interconnection process. Alliant Energy was part of a coalition that protested MISO's filing at FERC. On March 10, 2020, FERC issued an order finding the proposal had not been shown to be just and reasonable, and may be unjust, unreasonable, unduly discriminatory, or otherwise unlawful. The filing was accepted and suspended for five months, subject to refund, to become effective August 11, 2020, subject to further order by the Commission following a technical conference.

FERC held a technical conference on May 4, 2020, where MISO responded to various questions by FERC staff on the filing. FERC provided an opportunity for comments to be submitted after the technical conference. On June 1, 2020, Alliant Energy was part of a coalition that submitted post technical conference comments. The comments further advocated that MISO's filing is discriminatory and raised various other technical issues associated with MISO's proposal. On August 10, 2020, the Commission issued an Order approving MISO's SATOA proposal, with minor conditions. On September 9, 2020, Alliant Energy, as part of the same coalition that submitted comments, filed a request for rehearing of the Commission's August 10 Order. That request was denied by operation of law on October 13, 2020. On December 11, 2020 Alliant Energy participated in a joint petition of review of the FERC order accepting the SATOA proposal to the D.C. Circuit Court. Court action on the petition is currently pending.

Current Status:

- Alliant Energy continues to be engaged in court activity regarding the challenge of the FERC order accepting MISO's proposal. Alliant Energy believes that allowing non-transmission owners to own storage solutions which help with system issues would be beneficial to planning and maximizing the benefits from energy storage investments.
- Oral Arguments were held in front of the DC Circuit Court on December 2, 2021.

E. Transmission Line Ratings

Background:
More frequently adjusting transmission line ratings can improve the utilization of the existing transmission system by providing more specific ratings which factor in variables such as temperature and wind speed. There are many conditions where the planning criteria that set the limits of the transmission system are not reflective of the conditions experienced in operations. As a result, the use of ambient adjusted or dynamic line ratings can both help address congestion issues as well as help to increase reliability. MISO has made certain changes to their systems to enable the use of more specific line ratings; however, to date the use of this ability among

transmission owners has been limited. The MISO Independent Market Monitor (IMM) has recommended that MISO work with transmission owners to ensure more complete and timely use of both temperature-adjusted ratings (or use of dynamic factors such as conductor temperature, actual ground clearance, and actual and forecasted weather) and short-term emergency ratings. Additionally, the IMM has recommended that MISO work with its transmission owners to establish a consistent rating methodology to communicate an expectation that emergency ratings should be based on short-term temperature-adjusted ratings. Alliant Energy has long supported the use of ambient adjusted and dynamic line ratings as a means to more efficiently utilize the existing transmission system and lower costs to customers.

Current Status:

- FERC held a technical conference in September 2019 on issues related to transmission line ratings, with a focus on dynamic and ambient-adjusted line ratings. FERC has also considered the use of dynamic line ratings as part of the Commission's efforts focused on Grid Enhancing Technologies. In November 2020, FERC issued a NOPR related to transmission line ratings that seeks to incorporate three requirements for transmission providers (including RTOs/ISOs). First, FERC proposes to require transmission providers to implement ambient-adjusted ratings (AARs) and seasonal line ratings. Second, it proposes to require RTOs/ISOs to establish and implement systems and procedures necessary to allow transmission owners to electronically update Transmission Line Ratings (TLRs) at least hourly. Third, FERC proposes to require transmission owners to share TLRs and TLR methodologies with their respective transmission providers, and, in RTOs/ISOs, with their respective market monitor. Finally, the NOPR seeks comment in response to whether transmission providers should be required to use unique emergency ratings. Alliant Energy and DTE filed joint comments in March 2021 supporting the broader use of more frequently adjusted TLRs (i.e., ambient adjusted line ratings (AARs) or dynamic line ratings (DLRs)) as a cost-effective means of better utilizing existing infrastructure and potentially avoiding unnecessary transmission build.

- In December 2021, FERC issued Order 881 which requires the adoption of AARs and seasonal line ratings but defers action on DLRs until the cost and benefits of DLR adoption can be more thoroughly explored through a separate proceeding. Specifically, the Commission is requiring public utility transmission providers and RTOs/ISOs to adopt a number of measures related to AARs. First, public utility transmission providers are required to implement AARs on the transmission lines over which they provide transmission service. Second, RTOs/ISOs must establish and implement systems and procedures necessary to allow transmission owners to electronically update transmission line ratings at least hourly. Third, public utility transmission providers must use uniquely determined emergency ratings. Fourth, public utility transmission owners must share transmission line ratings and transmission line rating methodologies with their respective transmission provider(s) and with RTO/ISO market monitors. Finally, public utility transmission providers must maintain a database of transmission owners' transmission line ratings and transmission line rating methodologies via the transmission provider's OASIS site or other password-protected website. MISO is required to submit a compliance filing in July.

- In February 2022, the Commission issued a Notice of Inquiry (NOI) that seeks to comment on a number of issues related to DLRs including: 1) whether the lack of DLR requirements renders current wholesale rates unjust and unreasonable; 2) potential criteria for DLR requirements; 3) the benefits, costs, and challenges of implementing DLRs; 4) the nature of potential DLR requirements; and, 5) potential timeframes for implementing DLR requirements.

In April, Alliant Energy filed comments in response to the NOI which provided general support for the use of DLRs. Further FERC action is pending.

F. Transmission System Optimization

Background:

Alliant Energy believes there needs to be a greater focus on optimizing the utilization of existing transmission assets as well as on how future system expansion could also achieve greater utilization. This increased focus can help cost effectively meet future renewable energy and carbon reduction goals. Alliant Energy views a growing role for grid enhancing and optimizing solutions which include but are not limited to flow control solutions, energy storage, dynamic line ratings and topology optimization. As transmission costs and congestion continues to grow, the value to customers and the need to improve the utilization of the transmission system is becoming ever more important.

June 2022 Results and Activity:

- Alliant Energy has started a pilot program with NewGrid to perform congestion monitoring for Alliant Energy source and sink paths and the identification of potential transmission reconfiguration solutions. Congestion occurring is driven by multiple factors and, in some cases, can be mitigated by transmission reconfigurations (e.g., opening a breaker in a substation) to help direct flows towards less congested parts of the system. Reconfiguration solutions can potentially have a material impact on congestion and reduce energy market costs for Alliant Energy customers. The pilot has provided congestion cost savings to IPL customers and is helping to show the value from the use of reconfigurations. Alliant Energy has also advocated that MISO implement a formal process to evaluate proposed transmission reconfigurations. In 2022, discussions have progressed on creating such a process and are now occurring in the MISO Reliability Subcommittee stakeholder group.

- The MISO Planning Subcommittee is currently discussing two issues related to system optimization. The first topic is regarding establishing a process to address congestion at existing resources by in part focusing on near-term and low-cost solutions. The second topic is regarding improving the modeling assumptions that MISO uses to study energy storage resources. Currently MISO uses assumed dispatch assumptions for modeling storage that do not reflect the real-world operation of storage. These assumptions are an impediment to deploying storage solutions to help address system issues. Alliant Energy is supportive of MISO implementing changes to address both of these issues. Discussions on these topics are ongoing in the stakeholder process.

5. IPL and ITC-M's Joint Project Planning

Background:

IPL personnel from various levels of authority, from executives to engineering and operational staff, routinely meet with ITC-M to discuss transmission planning, including projects influenced by generation and distribution investments. These projects involve large capital projects, capital maintenance and routine operations and maintenance (O&M) projects.

IPL's engagement with ITC-M's project planning efforts is intended to:

- Ensure improvement of system reliability and resiliency for IPL's customers;

- Influence demonstrated need, scope, design, timing, and cost effectiveness in providing transmission service to IPL's customers;
- Coordinate and plan the IPL distribution projects impacted by or needed to support ITC-M projects; and
- Facilitate "constructability" meetings to align project timing for budgeting purposes, but also from a reliability perspective so as to minimize impacts to IPL customers.

IPL's Planning Departments meet quarterly with ITC-M's Planning department. The two companies meet to coordinate conceptual planning, studies, and work scope development. Additionally, IPL meets with both ITC-M and Central Iowa Power Cooperative two or three times per year specifically to coordinate work related to the initiative to convert the transmission system from 34.5 kV to 69 kV operations. IPL, CIPCO and ITC-M have developed a plan to address conversion work through 2026 and continue to work coordinating these activities beyond that time frame.

These meetings with ITC-M also support review of transmission projects having a direct impact on IPL customers. Similarly, both planning departments continually coordinate in the reliability studies of future IPL generation retirements and additions.

6. IPL Analysis of ITC-M and MISO Rates

Background:

IPL has an internal process to project transmission expenses using the following resources, among others:

- Anticipated MISO billings (including those for MVPs),
- ITC-M revenue requirements and capital expenditure projections,
- ITC-M Attachment O True-Up information for the prior year,
- FERC decisions that impact transmission rates, and
- ITC-M projected Attachment O rate posted for the next year.

IPL's transmission expense projections are used to determine the RTS factors filed with the Board. The RTS factors are communicated to customers through a bill insert, bill messages, direct conversation with IPL Key Account Managers, and information sharing at customer forums such as IPL's Semi-Annual Transmission Stakeholder Meetings. IPL's RTS factors are filed with the Board each November and April. The true-up of the previous year's over/under-collection is incorporated in the April RTS factor filing.

June 2022 Updated Results and Activity:

- In February 2022, IPL received final settlements from MISO associated with the MISO ROE refunds amounts relating to FERC Opinion Nos. 569 and 569-A.

- In April 2022, MISO submitted MISO ROE refund compliance reports to FERC. The compliance reports provide charge and refund amounts by customer associated with MISO's resettlement due to changes in approved ROE.

- In April 2022, IPL provided approximately $10 million of MISO ROE refunds that IPL received in 2021 (through October) to retail electric customers through a one-time credit.

- In May 2022, ITC-M published its 2021 true-up. The true-up indicates a $2.2 million over collection of ITC-M's 2021 annual revenue requirement. ITC-M will incorporate the true-up and interest ($2.4 million total) in its 2023 projected Attachment O rate. ITC-M's True-up meeting will take place July 14.

Conclusions:
ITC-M's forecasted 2022 and 2023 transmission rates are subject to true-up. The 2021 over collection is incorporated in ITC-M's 2023 projected Attachment O rate and any 2022 over or under collection will be reflected in ITC-M's 2024 projected Attachment O rate.

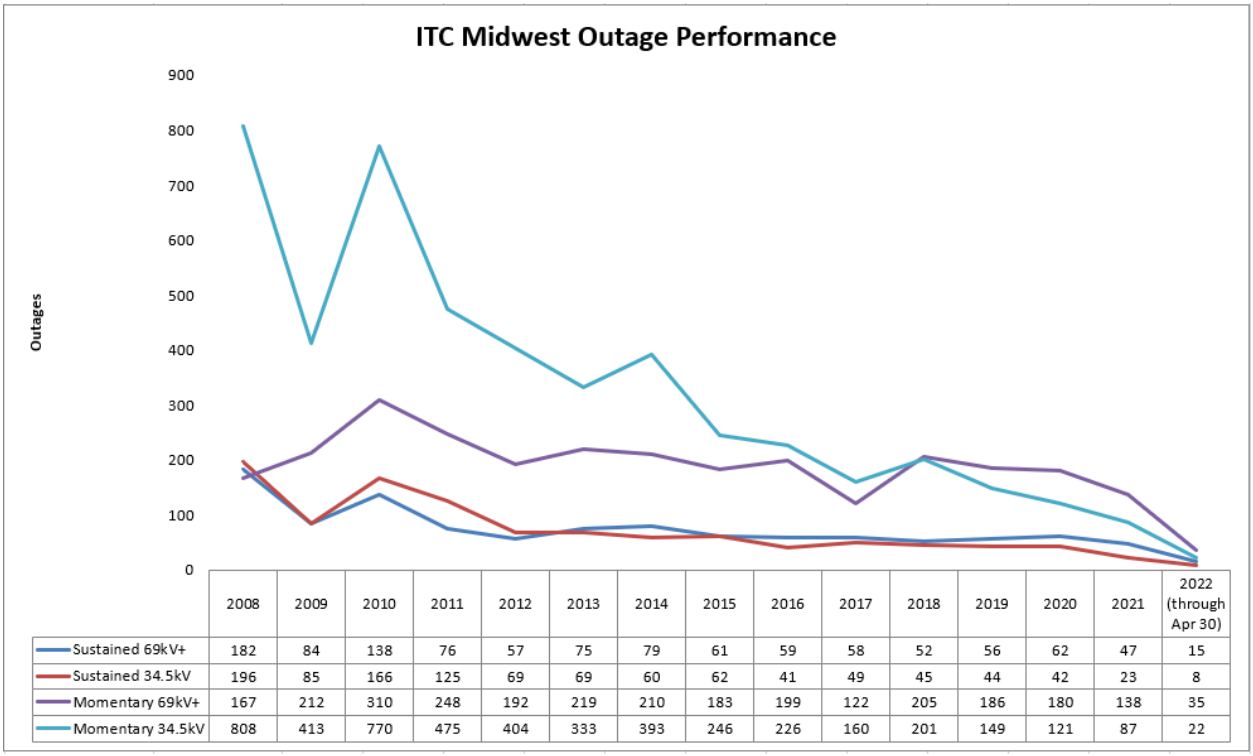
IPL continues to review publicly available information and seek insight from ITC-M on ITC-M's future transmission rates in order to allow IPL and its customers to plan accordingly.

7. Transmission Outage Performance and Operations Coordination

Background:
As part of the joint IPL/ITC-M Operations Committee, representatives of IPL's Distribution Dispatch Center meet once a year to review ITC-M system studies as part of the summer preparedness, and on as-needed basis with their counterparts from ITC-M's field operations and Operations Control Room to discuss outage history, reliability metrics and other operations-related topics.

June 2022 Results and Activity:
From the asset performance data provided by ITC-M representing the number of transmission line outages, IPL has updated the graph shown in Figure 2. Through October 2021, the data illustrates a continued improvement and maintained trend of fewer sustained and momentary outages since the transmission asset sale by IPL and purchase by ITC-M. The years 2008 and 2010 data are considered abnormal due to the number and severity of weather events. Data for this particular metric is only available back to 2008 when ITC-M acquired the transmission system since IPL tracked outage statistics in a different way prior to 2008.

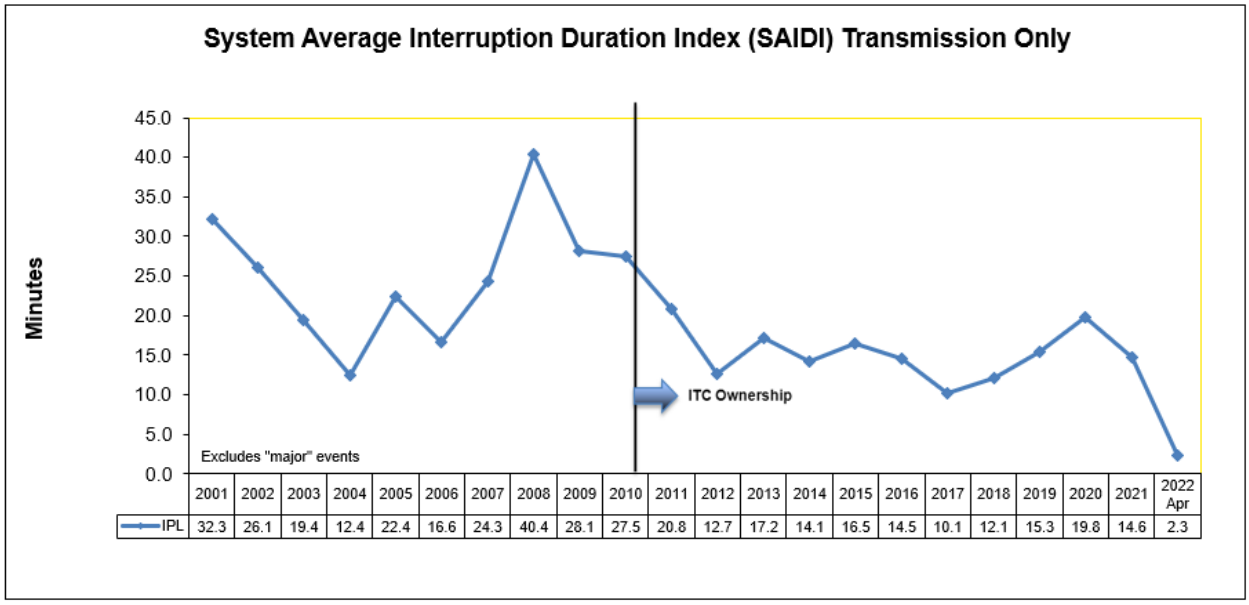
Figure 2 – ITC-M Outage Performance



	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022 (through Apr 30)
Sustained 69kV+	182	84	138	76	57	75	79	61	59	58	52	56	62	47	15
Sustained 34.5kV	196	85	166	125	69	69	60	62	41	49	45	44	42	23	8
Momentary 69kV+	167	212	310	248	192	219	210	183	199	122	205	186	180	138	35
Momentary 34.5kV	808	413	770	475	404	333	393	246	226	160	201	149	121	87	22

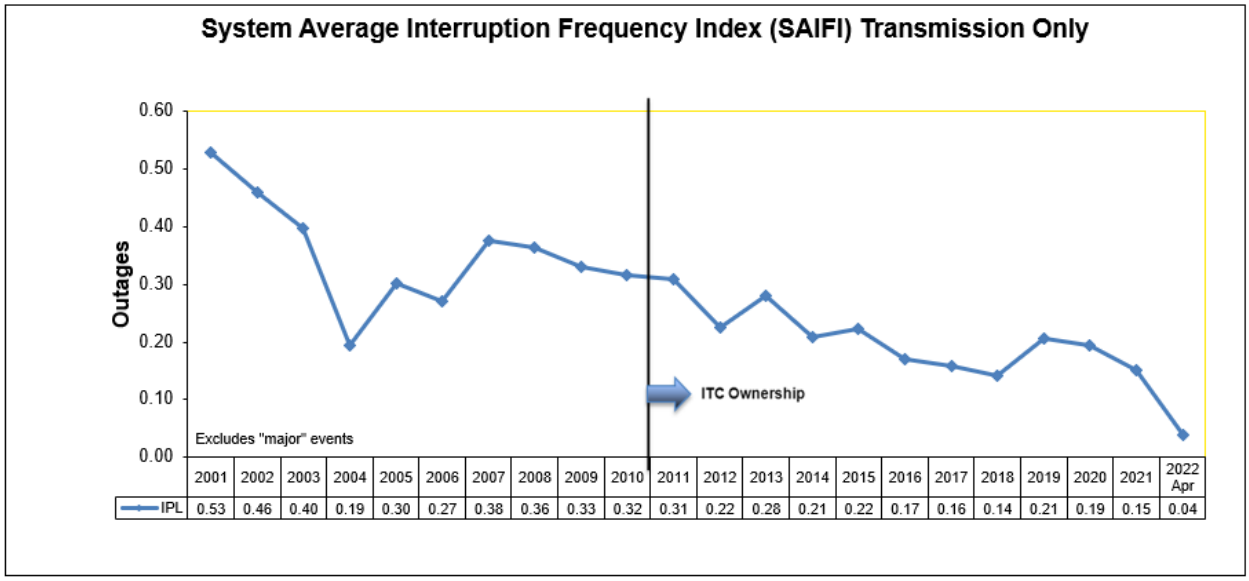
Industry standard measures of the customer outage experience (SAIDI and SAIFI; transmission only) are shown in Figures 3 and 4, updated by IPL through April 2022. These metrics provide a long-term comparison of both reliability and restoration performance, since the data have been consistently collected by IPL before and after the transmission system sale to ITC-M. The data illustrates the customer reliability performance in terms of transmission only for the period through April 2022. While weather events can also greatly impact these measures, “major” events such as the 2007 ice storm and 2008 floods have been excluded using Board criteria. Consistent with the ITC-M Outage Performance data, IPL’s transmission SAIDI and SAIFI data illustrates a continued improvement and maintained trend of fewer and shorter sustained outages since the transmission asset purchase by ITC-M.

Figure 3 – Transmission Reliability, SAIDI (System Average Interruption Duration Index) – Average length in minutes of outages for all customers.



	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022 Apr
IPL	32.3	26.1	19.4	12.4	22.4	16.6	24.3	40.4	28.1	27.5	20.8	12.7	17.2	14.1	16.5	14.5	10.1	12.1	15.3	19.8	14.6	2.3

Figure 4 – Transmission Reliability, SAIFI (System Average Interruption Frequency Index) – Average number of outages experienced by all customers.



	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022 Apr
IPL	0.53	0.46	0.40	0.19	0.30	0.27	0.38	0.36	0.33	0.32	0.31	0.22	0.28	0.21	0.22	0.17	0.16	0.14	0.21	0.19	0.15	0.04

Conclusions:

Reliability and asset performance metrics have been updated with April 2022 year-to-date data and are shown in Figures 3 and 4, illustrating a trend of fewer sustained and momentary transmission outages, as well as shorter durations.

8. Transmission Stakeholder Meetings

Background:

On April 3, 2018, IPL filed a Stakeholder Engagement Plan in Docket No. RPU-2017-0001, indicating the company's intent to continue ongoing discussion of transmission topics with interested stakeholders. IPL views stakeholder engagement as beneficial to process improvement and customer relations. Throughout the last several years, semi-annual transmission meetings have served to educate and inform participants as well as offer a forum for dialogue and input.

June 2022 Updated Results and Activity:

On June 27, 2022, IPL held its twenty-second Transmission Stakeholder Meeting via WebEx.

Invitations were extended to IPL customers, customer consortium representatives, Board staff, OCA staff, and other stakeholders. With similar attendance to prior meetings; the following participants RSVP'd for the WebEx: 16 IPL industrial customers, representatives from 2 customer consortiums, 2 OCA representatives, 7 ITC-M staff, and various IPL staff. Similar to past meetings, the summary agenda included presentations on:

- Transmission Planning and Operations Update;
- FERC Transmission Policy Reforms
- Transmission Incentives and ROE Update;
- Attachment O Rate Analysis; and
- Rider RTS and ROE one-time credits.

During a Q&A, IPL answered questions regarding transmission cost projections and cost allocation.

The agenda and meeting presentation are attached to this Report as Appendix A and Appendix B, respectively.

Conclusions:

The meeting continues to serve as an opportunity for participants to receive useful information and updates and have an open dialogue on transmission matters.

9. Timetable of Events Influencing Transmission Rates & Service

A timetable of upcoming selected events in 2022 influencing transmission rates and project planning is listed in Table 2.

Table 2 – Timetable of events influencing transmission rates & service

2022	Description
June	• ITC-M 2021 True-Up posted • Updated 2022 RTS to include 2021 reconciliation
August	• Rider RTS reconciliation rates proposed to take effect (August 1)
September	• ITC-M 2023 Attachment O Rate posting
November	• IPL 2023 Rider RTS submitted to IUB
December	• Audit protocol deadline (Dec 1) for questions on Attachment O

Transmission Stakeholder Meeting
June 27, 2022

AGENDA

Time	Topic	Presenters
1:30 – 1:45	Welcome & Introductions Opening Remarks	Mitch Myhre – Manager, Transmission Planning and Regulatory Affairs Mayuri Farlinger – Vice President, Customer and Community Engagement
1:45 – 2:15	Transmission Planning, Policy and Operations Update • MTEP22 • Transmission cost allocation update • System optimization • FERC Notice of Proposed Rulemakings (NOPRs) • Capital Structure Complaint	Mitch Myhre – Manager, Transmission Planning and Regulatory Affairs
2:15 – 2:45	MISO Long Range Transmission Plan (LRTP) - ITC	Jeff Eddy – Director, Planning (ITC)
2:45 – 3:00	Transmission Rate/Expense Analysis • ROE Refunds • Formula Rate Audit Activities	Brett Behling – Lead Financial Analyst
3:00 – 3:10	Rider RTS	Adrianne Iano – Senior Regulatory Relations and Policy Consultant
3:10 – 3:30	Collaboration: Open Q&A	

Semi-Annual Transmission Stakeholder Meeting

June 27, 2022

Alliant Energy

Welcome & Introductions

Mitch Myhre

Manager, Transmission Planning and Regulatory Relations

Opening Remarks

May Farlinger

Vice President, Customer & Community Engagement

Transmission Planning, Policy & Operations Update

Mitch Myhre

Manager, Transmission Planning and Regulatory Relations

Overview

Purpose: Provide an update on key activities occurring at MISO and FERC related to transmission planning and policy

Key Takeaways:

- A first tranche of Long Range Transmission Plan (LRTP) projects proposed by MISO contains 18 projects with an estimated cost of $10.3 billion and includes multiple new 345 kV lines in Iowa. MISO board approval is planned for July.
- A Multi-Value Project (MVP) cost allocation approach for LRTP projects was accepted by FERC. Discussions have started on a potential more granular cost allocation for future use.
- FERC issued NOPRs related to transmission planning and cost allocation and on improvements to the generation interconnection process. Alliant Energy intends to respond.
- A complaint on the ITC Midwest capital structure was filed by an Iowa coalition including IPL. FERC action is pending.
- Alliant Energy is continuing to advocate for improved optimization of the transmission system. Related, a pilot with NewGrid on reconfigurations is providing congestion savings.

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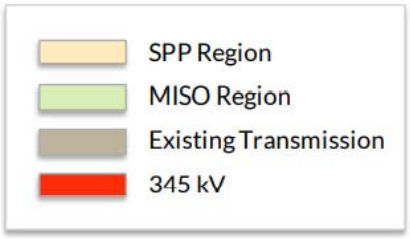
MISO/SPP Joint Targeted Interconnection Queue (JTIQ) Study



- Study focused on transmission needed for interconnection across the seams and new resource mix
- Total estimated project cost is approximately $2 billion
- Cost allocation is yet to be determined

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Transmission Cost Allocation Update

LRTP Current	LRTP Future	JTIQ
• Use of MVP approach (based on energy withdrawals from the system) • Separate MISO North/Central and MISO South allocation regions • Monitor transfer capability between MISO North/Central and MISO South	• Potential for more granular approach • Consideration of additional benefit metrics and the allocation of costs to generators • Earliest use LRTP tranche 3 • Stakeholder discussions ongoing	• Proposal to cost share upgrades with generators • Creation of zones around seam for $/MW allocations to related interconnection requests • Proposal to replace Affected System studies with JTIQ

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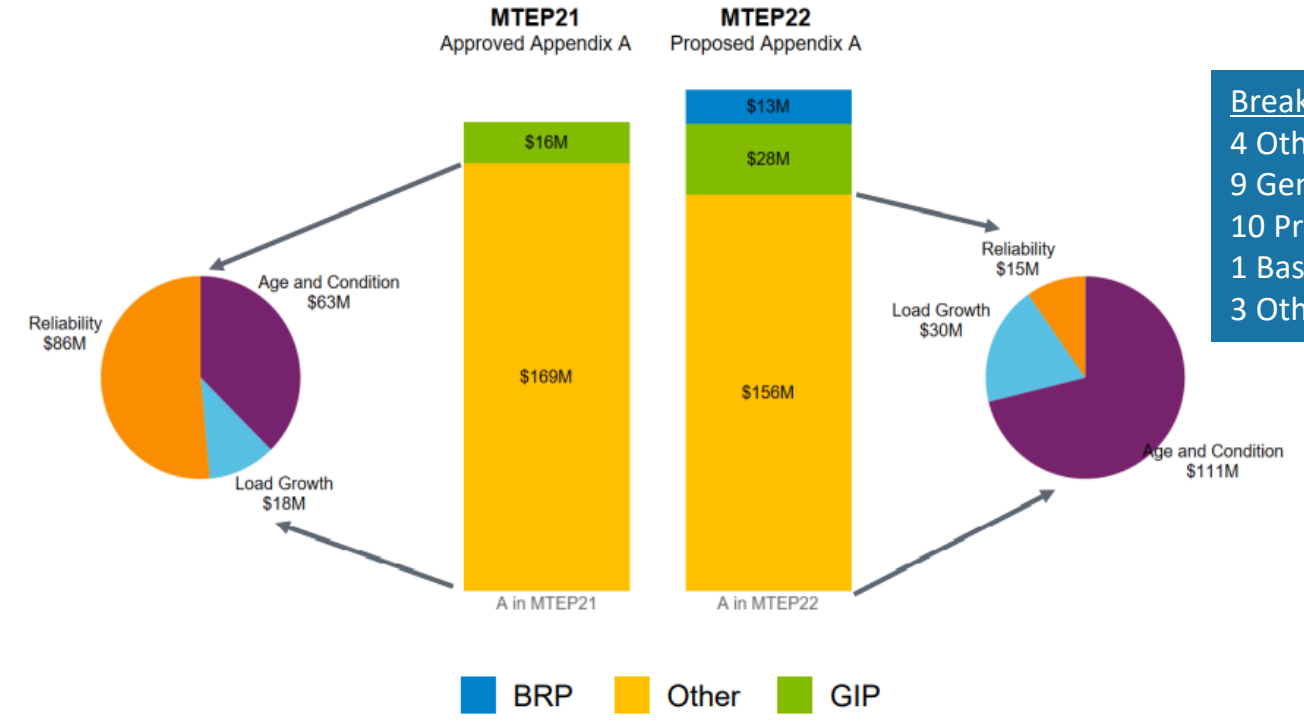
MTEP22: ITCM Projects



Project information as of May 23, 2022

Breakdown of ITCM MTEP22 projects:
4 Other projects driven by local reliability
9 Generation interconnection projects
10 Projects for age and condition
1 Baseline Reliability Project
3 Other projects driven by load growth

Source: June 3, 2022 West Subregional Planning Meeting https://www.misoenergy.org/events/2022/west-subregional-planning-meeting-wspm---june-3-2022/

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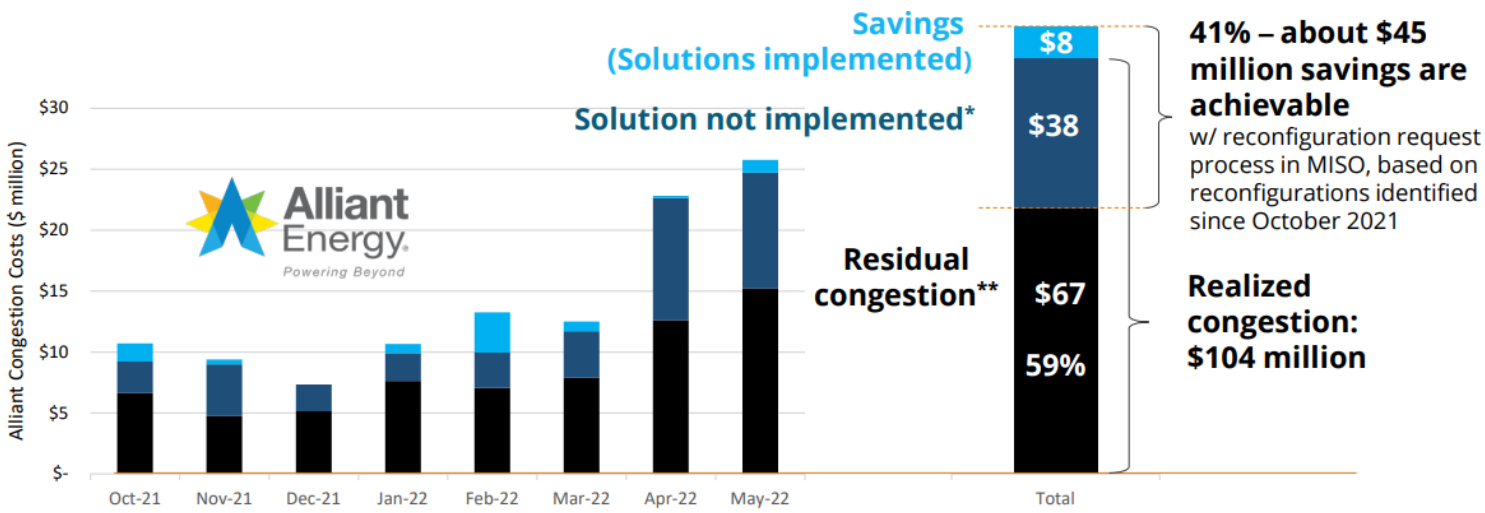
System Optimization – NewGrid Pilot on Reconfigurations



Partnership with ITC Midwest has lead to the implementation of solutions and reduced congestion

The impacts were calculated ex-post based on analyses of state estimator cases published by MISO and of historical market data.

* Solution not implemented includes the impacts of all solutions found, requested and that were not declined on a technical basis, as well as solutions not requested due to the lack of an established request process.

** Residual congestion may be reduced further, as not all significant constraints affecting Alliant were analyzed during the pilot due to scope limitations.

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FERC Transmission NOPR

Background: In July 2021, the Commission issued an Advanced Notice of Proposed Rulemaking (ANOPR) that sought a more holistic approach to planning the grid of the future. The ANOPR raised questions related to longer-term regional transmission planning and cost-allocation processes, rethinking cost responsibility for regional transmission facilities and interconnection-related network upgrades; and, implementing enhanced oversight of identification and who pays for new transmission facilities.

April 2022 Transmission NOPR on Planning & Cost Allocation

- **Requirement for forward looking regional planning**
  - Similar to MISO's LRTP
  - Includes the requirement to consider Grid Enhancing Technologies such as Dynamic Line Ratings and flow control
- **Cost Allocation**
  - Potential larger role for states
  - Looking for full range of benefits from transmission
- **Amendment to Right of First Refusal (ROFR)**
  - Exemption for entities that establish joint ownership of facilities
- **Alliant Energy plans to file response to provide the transmission customer perspective**
  - Initial comments due August 17th

Capital Structure Complaint

- **Iowa Coalition for Affordable Transmission (ICAT)**
  - IPL, Iowa OCA, RPGI, IBEC, LEG
- **Formal Section 206 complaint focused on ITC Midwest capital structure with a 60% equity layer (EL22-56-000)**
- **Request to reduce equity layer to 53%**
  - Could provide savings of $114 million over the next four years to ITC Midwest customers
- **FERC does not have a specific time frame to act**

Thank you for support provided in the proceeding

Transmission Line Ratings

Ambient Adjusted Line Ratings (AAR)

- FERC Order 881 requiring AAR adoption on all lines
- Increased transparency with line ratings methodology
- MISO compliance filing due in July. Implementation within 3 years.

Dynamic Line Ratings (DLR)

- FERC considering DLR requirements (e.g., using sensors to monitor additional information such as wind speed and direction, solar irradiance)
- Alliant Energy filed supported comments in April
- Waiting for FERC action on NOI. FERC is also considering the use of DLRs in planning.

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Other Activity

- **FERC NOPR on Interconnection Reforms to Address Queue Backlogs**
  - Items include: cluster study, queue processing speed, incorporate technological advancements, modeling and performance requirements
- **FERC NOPR on Transmission System Planning Performance Requirements for Extreme Weather**
  - NERC to address transmission system planning for extreme heat or cold weather events that impact the reliable operation of the Bulk-Power System
- **October Technical Conference on Transmission Planning and Cost Management**
  - Will explore measures to ensure sufficient transparency into and cost effectiveness of local and regional transmission planning decisions

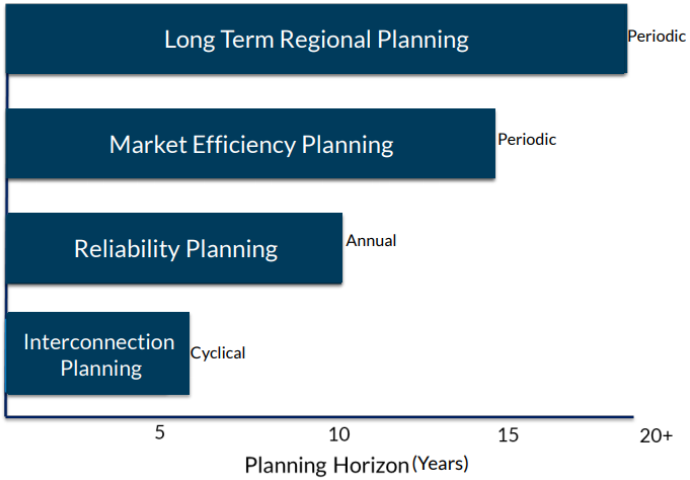
Waiting for FERC Action

ROE	• Opinion No. 569-B (issued November 19, 2020) generally upheld the findings of Opinion No. 569-A, including the 10.02% ROE and decision to not issue refunds. • Oral Arguments took place before the DC Circuit Court on November 18, 2021. The main issues were 1) the method FERC employed to determine a new ROE, and 2) the decision to not issue refunds for the Second ROE Complaint Period.
Incentives	• March 2020 FERC NOPR that proposed changes to Transmission Incentives Policy, notably shifting from a "Risks and Challenges" approach to awarding incentives to a "Benefits" approach; eliminating the Transco Incentive Adder; proposing other incentives • April 2021 Supplemental NOPR that proposes to maintaining the RTO Incentive Adder at 50 bps (no increase to 100 bps); and, creating a 3-year Sunset Period for RTO Incentive Adder
Reactive Power	• In November 2021, the Commission published a Notice of Inquiry (NOI) seeking feedback on the appropriate methodology for reactive power compensation for nonsynchronous resources. IPL submitted comment supporting a change in methodology for determining reactive power compensation for nonsynchronous generators.

MISO LRTP - Background

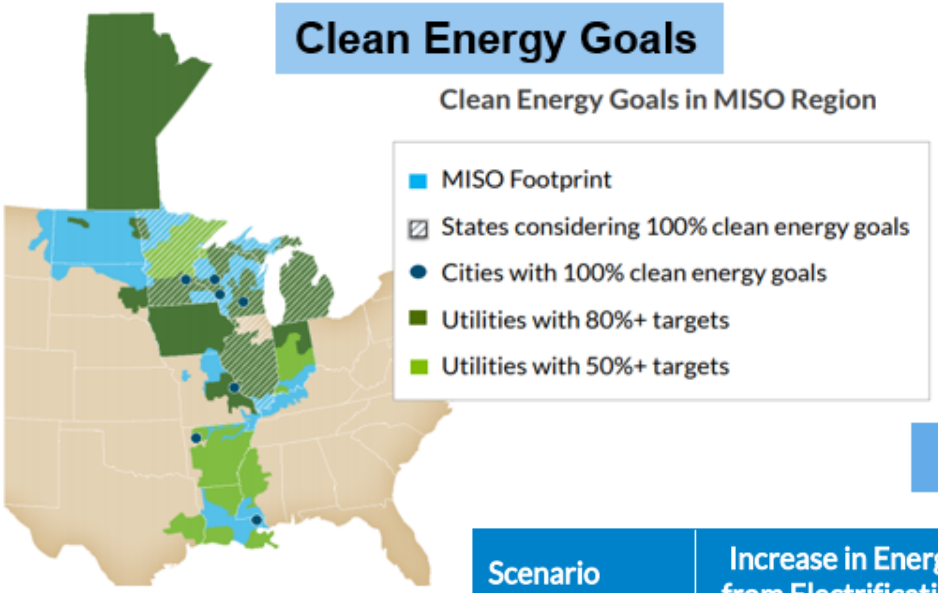
- **Summary**: The MISO LRTP is a holistic planning effort anticipated to identify $30-$100 billion of new transmission investment over multiple years

- **Key elements**:
  - Focused on several aspects of the grid: reliability, stability, robustness, resiliency, system diversity, economics, and challenges associated with operating the system with the changing fleet



LRTP - Drivers

Clean Energy Goals



System Needs

Electrification

Scenario Name	Increase in Energy from Electrification (compared to 2020)	Total Increase in Energy (compared to 2020)	Energy CAGR	Peak Load CAGR
Future 1	2%	14%	0.63%	0.59%
Future 2	16%	30%	1.23%	1.08%
Future 3	34%	50%	1.91%	1.93 %

Table 3: Load growth due to electrification in MISO Futures

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1

MISO's Long Range Transmission Plan

Jeff Eddy, Director of Transmission Planning

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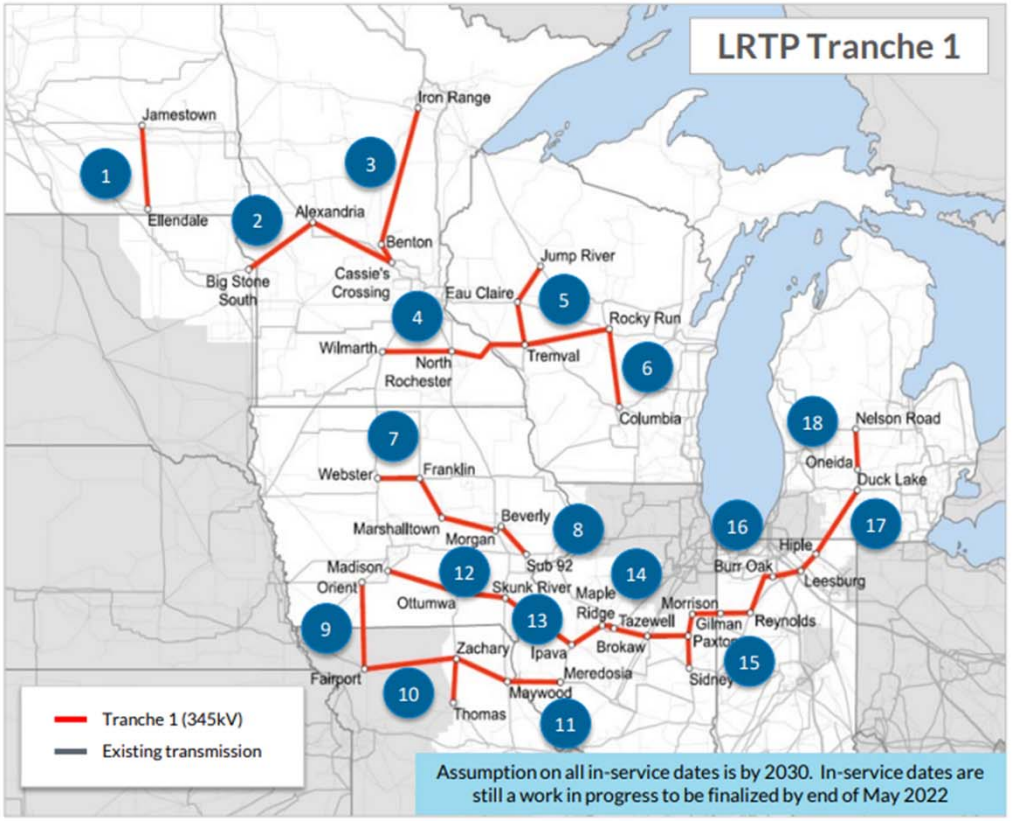
Points to Review

- Tranche 1 is a comprehensive regional plan to better connect MISO Classic; from the Dakotas, Minnesota and Iowa all the way to Michigan
- Provides an increase in transfer capability and access to generation diversity, as well as an increase in firm transmission to MISO
- Eliminate/reduce reliability overloads
- Facilitates new businesses and interconnections in Iowa
- Facilitates resource transition more efficiently than bottoms up, incremental fixes – and shares these costs more broadly and evenly.

MISO LRTP Tranche 1 Projects

ID	Project Description	Est. Cost ($M, 2022)
1	Jamestown – Ellendale	$420M
2	Big Stone South – Alexandria – Cassie's Crossing	$595M
3	Iron Range – Benton County – Cassie's Crossing	$853M
4	Wilmarth – North Rochester – Tremval	$718M
5	Tremval – Eau Clair – Jump River	$575M
6	Tremval – Rocky Run – Columbia	$673M
7	Webster – Franklin – Marshalltown – Morgan Valley	$716M
8	Beverly – Sub 92	$178M
9	Orient – Denny - Fairport	$561M
10	Denny – Zachary – Thomas Hill – Maywood	$1,115M
11	Maywood – Meredosia	$356M
12	Madison – Ottumwa – Skunk River	$683M
13	Skunk River – Ipava	$600M
14	Ipava – Maple Ridge – Tazewell – Brokaw – Paxton East	$640M
15	Sidney – Paxson East – Gilman South – Morrison Ditch	$533M
16	Morrison Ditch – Reynolds – Burr Oak – Leesburg – Hiple	$374M
17	Hiple – Duck Lake	$488M
18	Oneida – Nelson Rd.	$302M
	Total Project Portfolio Cost	**$10,380**

Costs as of 4/6/2022, and are subject to change
(costs represent "overnight" costs)



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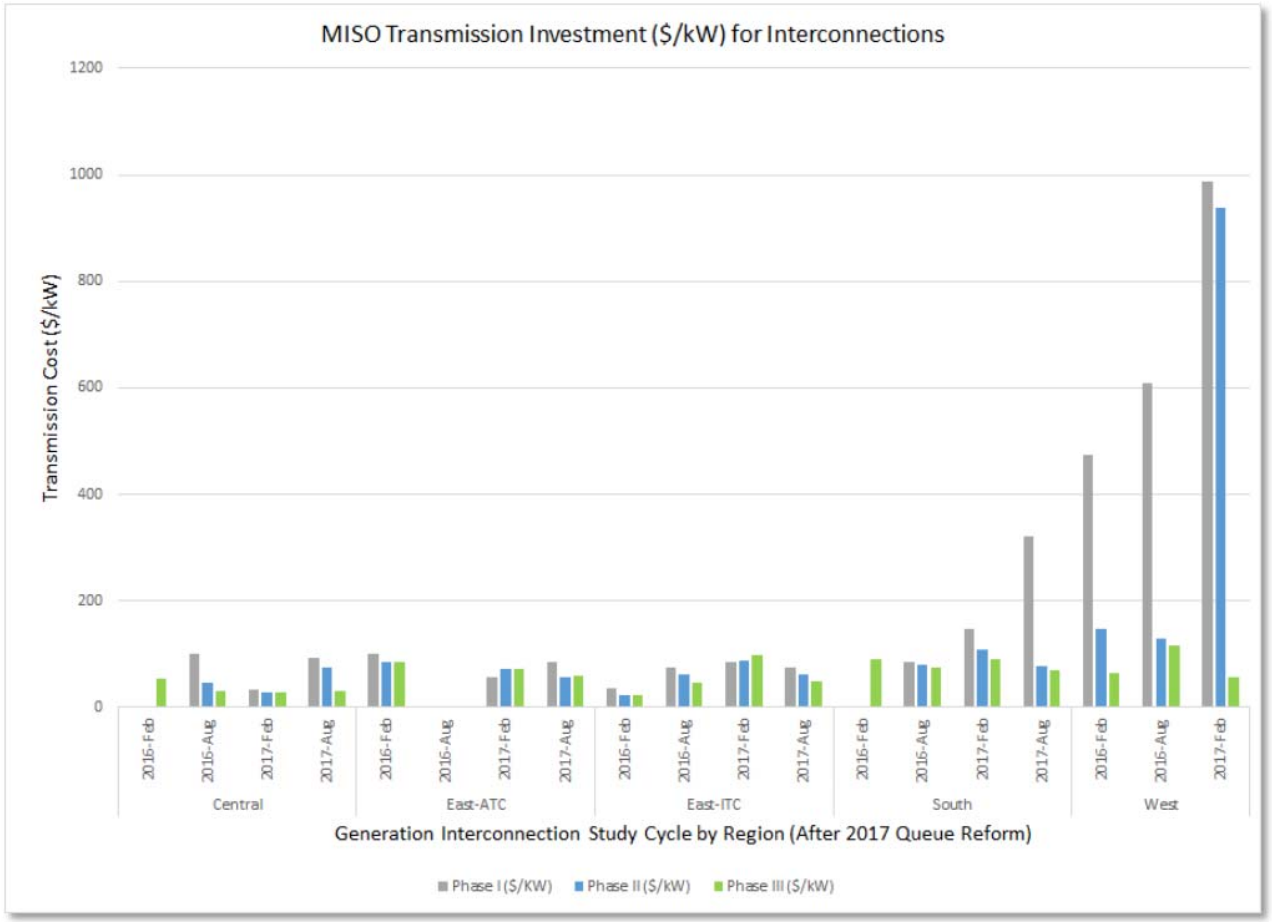
LRTP – Regional Approach to Transmission Build Out

- Multi-Value Projects (MVP's) provided broad benefits of lower cost energy to the market.
- Allowed states to meet renewable energy goals.
- Cost-effective transmission investment rather incremental build-out resulting from generator interconnection build out.
- Over time, additional transmission capacity provided by the MVP's has been utilized.



Source: MISO 2020 Interconnection Queue Outlook

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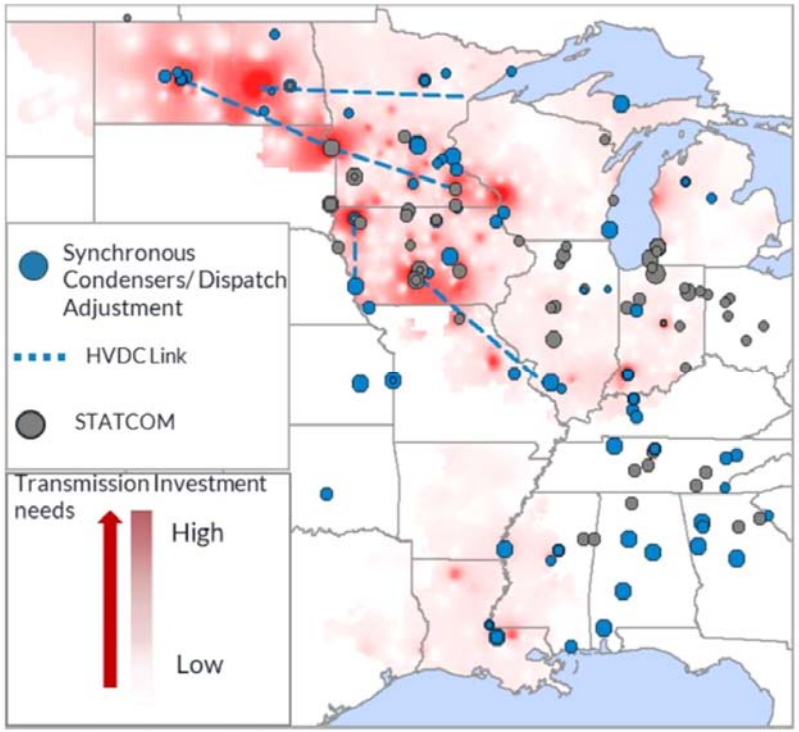
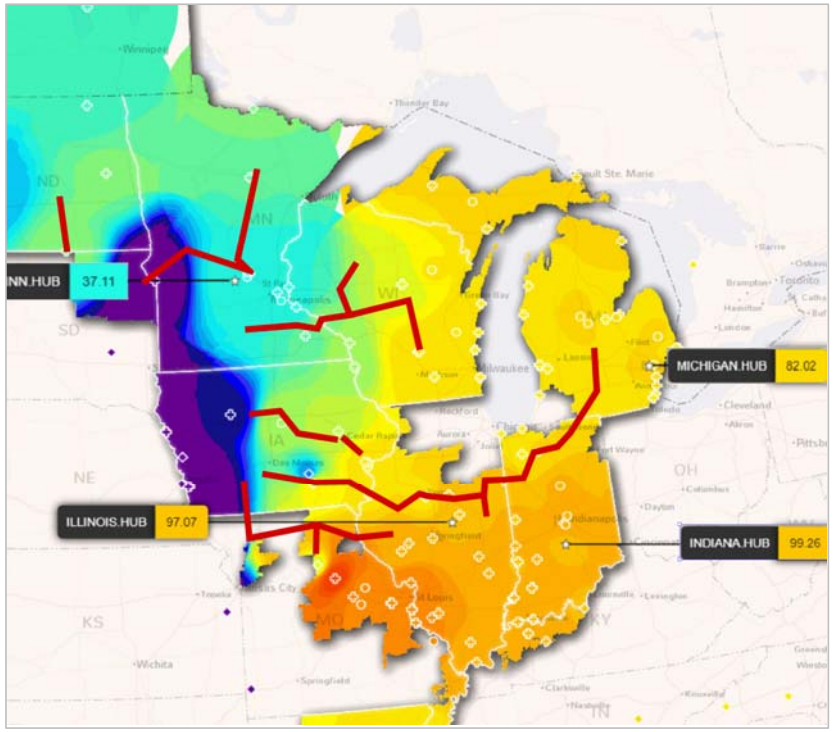
LRTP's – Addressing Predicted and Real-Time Conditions

MISO RIIA Study (2017-2021)



MISO Real-time LMP's



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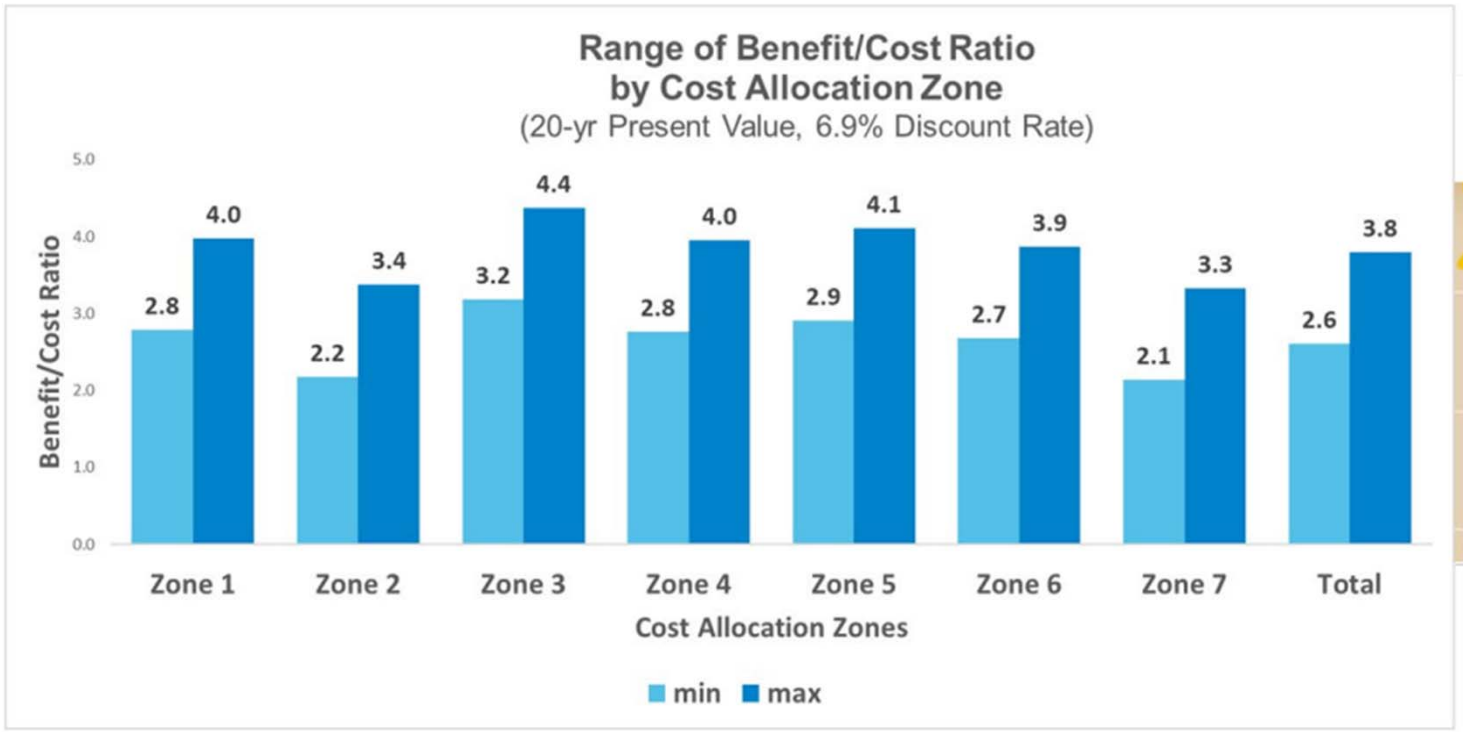
Benefits Widely and Evenly Distributed



Values as of 4/6/2022

*MISO Tariff, Attachment WW

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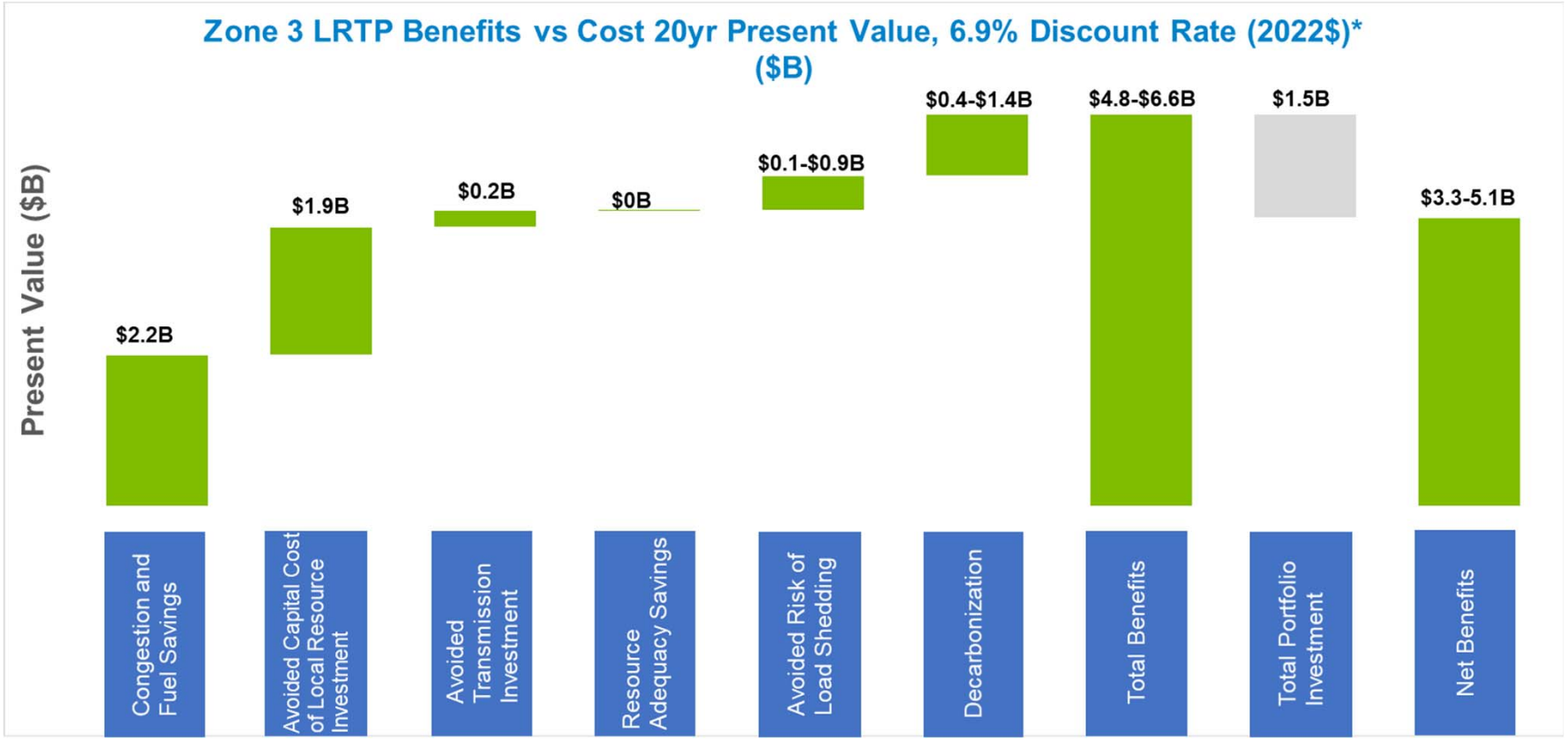
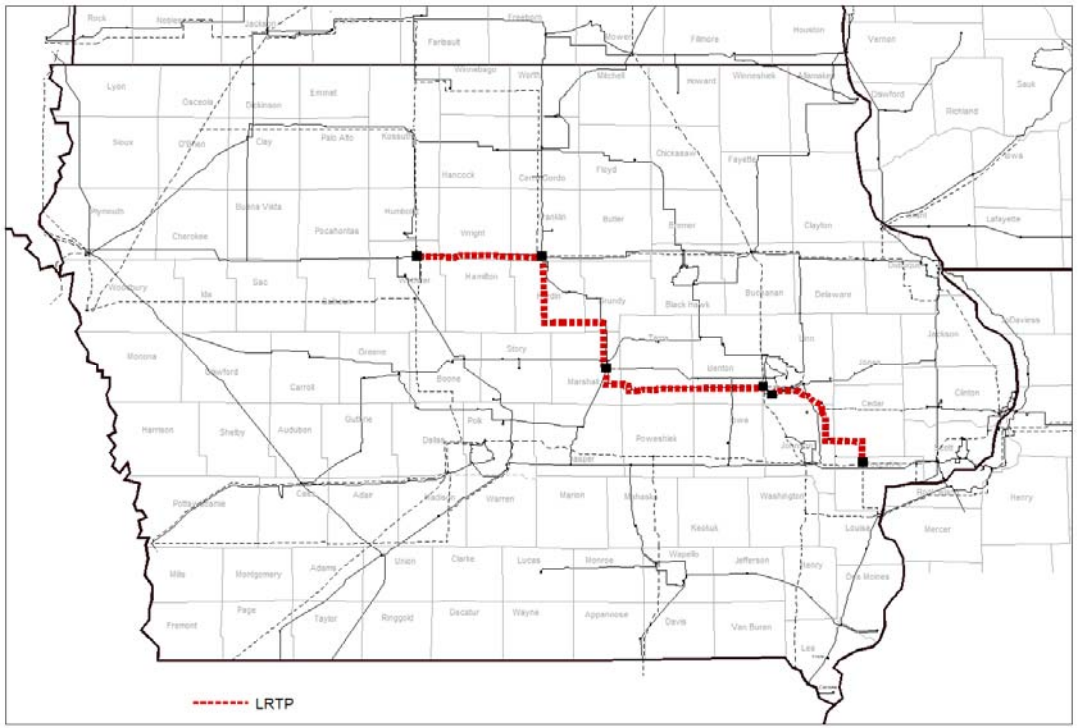
Zone 3 Benefits



Iowa LRTP

Webster-Franklin-Marshalltown-Morgan Valley 345kV
Beverly-Sub 92 345kV



- Provides outlet for renewables located in IA and SW Minnesota
- Provides corridor for delivery of energy to load centers in central portions of MISO
- Addresses 21 elements with N-1 heavy thermal loading and severe overloads in Iowa and 34 elements for N-1-1 contingencies

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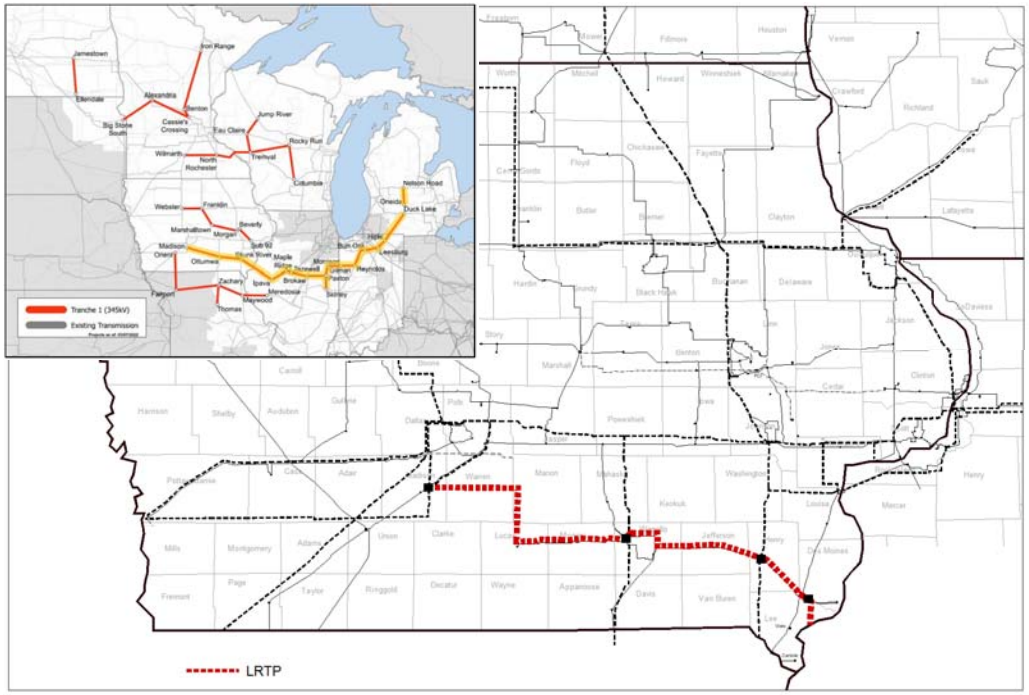
Iowa LRTP

Madison – Ottumwa –Skunk River – Ipava – Maple Ridge 345kV
Tazewell – Brokaw – Paxton – Gilman – Morrison – Reynolds – Hiple – Duck Lake 345kV
Oneida – Nelson Road 345kV



- Delivers significant increase in transfer capability to support generation deficient areas due to unexpected decrease in renewable output
- Mitigates 14 thermal overloads in Iowa, 28 thermal overloads in Michigan, 16 thermal overload in Indiana, 19 thermal overloads in Missouri and Illinois
- Provides more robust performance under large shifts in dispatch of generation across the region

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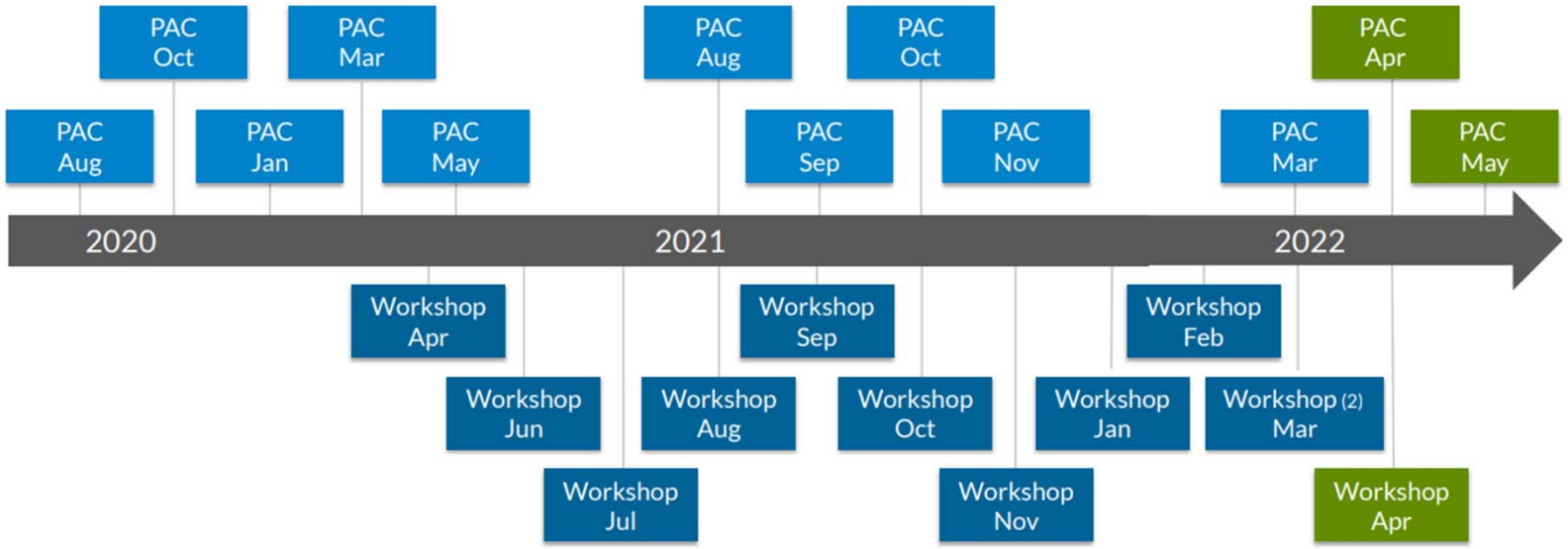
Extensive MISO Stakeholder Involvement



Questions?

Thank you!

jeddy@itctransco.com

Transmission Rate/Expense Analysis

Brett Behling
Lead Financial Analyst

Discussion Topics

- ROE Refunds
- ITC-M 2021 True-Up
- Formula Rate Audit Protocol Activities

ROE Refunds

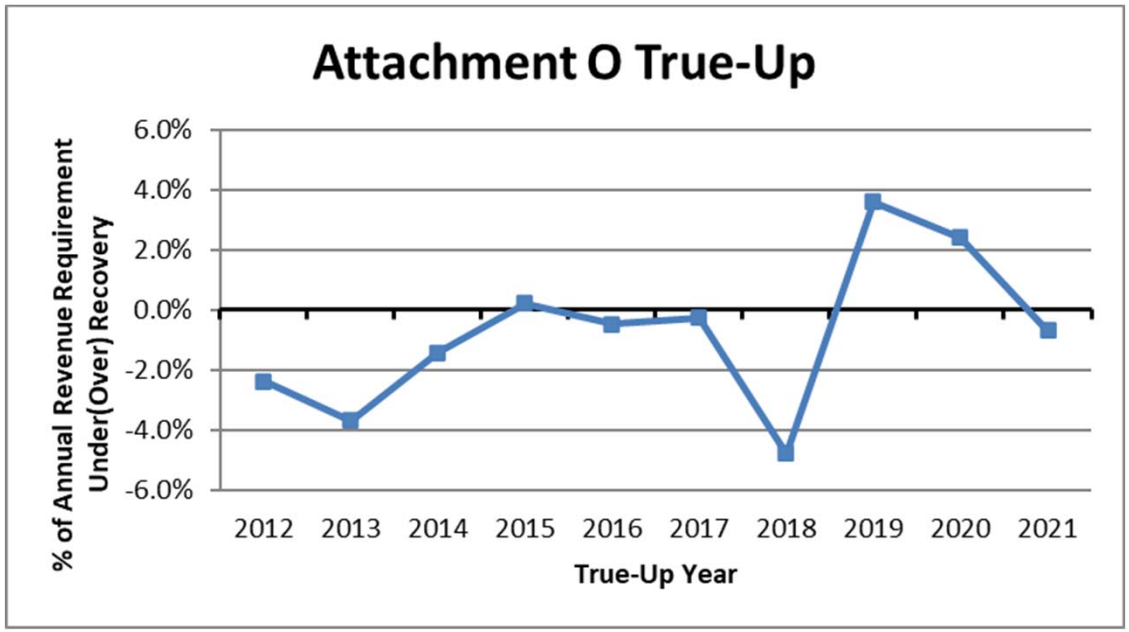
All refunds distributed by MISO

- MISO filed the ROE Compliance Refund Report on 4/1/22
- IPL has received ~$25M in ROE refunds in accordance with Docket EL14-12. No further refunds expected to be received.
  - Majority of ROE refunds have been returned to customers. A small remaining amount was included in the 2022 RTS reconciliation filing.

IPL is providing ROE refunds to retail customers in accordance with an IUB-approved ROE Refund Plan.

ITC-M 2021 True-Up

True-Up will provide ~$2.4M credit to the 2023 projected rate



ITC-M true-up meeting scheduled on Thursday, July 14. IPL plans to participate.

IPL Formula Rate Audit Protocol Activities

IPL's review did not identify new issues to pursue

2020 True-up and 2022 Forecasted Rate

- Round 1 and Round 2 Q&A completed.
- Questions primarily focused on costs (savings, allocation and trends), plant in-service (projects and forecasting process), and income taxes.
- ITC-M responses are available at https://www.oasis.oati.com/ITCM/

2021 True-up and 2023 Forecasted Rate

- IPL has begun 2021 true-up review
- IPL will continue to review publicly available information and seek insight from ITC-M on future transmission rates

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Transmission Policy & Regulatory Update

Adrianne Iano
Senior Regulatory Relations and Policy Consultant

2022 Regional Transmission Service (RTS) Factors

Proposed changes in RTS factors vary by class

RTS Factors**	January – July 31, 2022	August 1, 2022 on (proposed)
	($/kWh or $/kW)	
General Service	$0.03372	$0.03372***
Large General Service*	$9.60	$9.55
Large General Service – Supplementary*	$7.41	$7.51
High Load Factor*	$10.79	$10.79***
Standby*	$6.37	$6.36

* Factors billed per kW

** Updated proposed RTS factors filed June 17, 2022; proposed effective August 1, 2022

*** No change to rates

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RTS Reconciliation Items

- Second one-time credit for ROE refunds
- Additional ROE refunds accounted for after second one-time credit was proposed
- Corn Belt settlement
  - One-time payment made to Missouri River Energy Services (MRES) regarding Corn Belt's rate making treatment of the GFAs, approved by FERC in February 2021
  - $1.5 million

Open Q&A

Summary

Alliant Energy has developed, implemented and continues to implement a strategy that incorporates active engagement with ITC Midwest, including within state, regional, and federal fora, to ensure that transmission investments provide value to Alliant Energy customers. As a result, our customers experience increased system reliability, resiliency and increased market access.

Alliant Energy

Who to contact at Alliant Energy?

- **Your Key Account Manager**

  "One Call Does All" – IPL continues to be the main point of contact for our customers for all issues, including transmission service.

- **Or**

  Mitch Myhre
  Manager, Transmission Planning and Regulatory Relations
  608-458-6273
  MitchellMyhre@alliantenergy.com

Thank you!